[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999	2000
Estimated Outlays	0.4	0.6	.....	.....	.....	.....
Bill Total:						
Authorization of Appropriations	1.0	5.5	4.5	4.5	4.5	4.5
Estimated Outlays	0.4	4.6	4.4	4.4	4.4	4.4

The costs of this bill fall within budget function 800.

Basis of estimate: CBO assumes that the specific amounts authorized will be appropriated and that spending will occur at historical rates.

We estimate that executive branch agencies would incur no significant additional costs in carrying out their responsibilities associated with the promulgation of regulations because most of these tasks are already required by Executive Orders 12875 and 12866.

6. Comparison with spending under current law: S. 1 would authorize additional appropriations of $4.5 million a year for the Congressional Budget Office beginning in 1996. CBO's 1995 appropriation is $23.2 million. If funding for current activities were to remain unchanged in 1996, and if the full additional amount authorized were appropriated, CBO's 1996 appropriation would total $27.7 million, an increase of 19 percent.

Because S. 1 would create the Commission on Unfunded Federal Mandates, there is no funding under current law for the commission.

7. Pay-as-you-go considerations: None.

8. Estimated cost to State and local governments: None.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: James Hearn.

12. Estimate approved by: Paul Van de Water, Assistant Director for Budget Analysis.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SIMON:

S. 174. A bill to repeal the prohibitions against political recommendations relating to Federal employment and United States Postal Service employment, and for other purposes; to the Committee on Governmental Affairs.

By Mr. SHELBY:

S. 175. A bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States; to the Committee on Governmental Affairs.

By Mr. BUMPERS:

S. 176. A bill to require the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas; to the Committee on Environment and Public Works.

By Mr. MCCAIN:

S. 177. A bill to repeal the Ramspeck Act; to the Committee on Governmental Affairs.

By Mr. LUGAR (for himself and Mr. LEAHY) (by request):

S. 178. A bill to amend the Commodity Exchange Act to extend the authorization for the Commodity Futures Trading Commission, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROTH:

S. 179. A bill to amend the Immigration and Nationality Act to facilitate the apprehension, detention, and deportation of criminal aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. SIMON, and Mr. DODD):

S. 180. A bill to streamline and reform Federal job training programs to create a world-class workforce development system for the 21st century, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. HATCH:

S. 181. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage small investors, and for other purposes; to the Committee on Finance.

S. 182. A bill to amend the Internal Revenue Code of 1986 to encourage investment in the United States by reforming the taxation of capital gains, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM:

S. 183. A bill to provide that pay for Members of Congress shall be reduced whenever total expenditures of the Federal Government exceed total receipts in any fiscal year, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATFIELD:

S. 184. A bill to establish an Office for Rare Disease Research in the National Institutes of Health, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BUMPERS:

S. 185. A bill to transfer the Fish Farming Experimental Laboratory in Stuttgart, Arkansas, to the Department of Agriculture, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SHELBY:

S. 175. A bill to amend title 4, United States Code, to declare English as the official language of the Government of the United States; to the Committee on Governmental Affairs.

LEGISLATION TO MAKE ENGLISH THE OFFICIAL LANGUAGE OF THE U.S. GOVERNMENT

● Mr. SHELBY. Mr. President, today I am introducing legislation to designate English as the official language of the U.S. Government.

Last year, tax forms were printed in a language other than English for the first time in the 131 year history of the IRS. In addition, the Immigration and Naturalization Service is now conducting non-English language citizenship ceremonies. I find these policies very disturbing. The Government is sending a clear message that to live in the United States, one must not learn the English language.

I believe such Government policies establish a dangerous and expensive precedent. The idea that the U.S. Government can accommodate better than 300 foreign languages now found in America, is absurd.

In order to assimilate the various cultures and ethnic groups that comprise this great land, we must use English. Of all the different homelands and dialects introduced to the United States in the 18th century, the language the immigrants choose was English. They did not choose French, German, or Spanish.

A common, established language allows individuals to engage in conversation, commerce and of course political discussion. A common language serves as a bridge unifying a community by opening the lines of communication. In this diverse land of ours, English is the common line of communication we share. English is what allows us to teach, learn about and appreciate one another. It is therefore important that the Federal Government formally recognize English as the language of Government and pursue efforts to help new citizens assimilate and learn the English language.

The inability to communicate fosters frustration and resentment. By encouraging people to communicate in a common language, we actually help them progress in society. A common language allows individuals to take advantage of the social and economic opportunities America has to offer. The ability to maintain a law abiding citizenry is hindered and the ability to offer true representation is certainly hampered if individuals cannot communicate their opinions.

There might be concerns that this legislation will deprive non-English speaking individuals of certain rights or services. Let me assure you it will not. This legislation does not deny individuals their right to use native languages in their private lives nor does it deny critical services. This bill only affects the official functions of the U.S. Government. If anything, this legislation reflects the need to provide services that help non-English speaking people learn English and assimilate to America. Participatory democracy in this country simply requires people learn the English language.

I strongly urge my colleagues to join in this effort to establish a national language policy for the U.S. Government by cosponsoring the Language of Government Act of 1995.●

By Mr. BUMPERS:

S. 176. A bill to require the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas; to the Committee on Environment and Public Works.

THE CORNING NATIONAL FISH HATCHERY CONVEYANCE ACT OF 1995

Mr. BUMPERS. Mr. President, today, I am introducing legislation that would transfer the property rights in the Corning National Fish Hatchery from the Federal Government to the State of Arkansas. In 1983, the Fish and Wildlife Service closed this hatchery because of budget constraints. Because the State of Arkansas was interested in maintaining the Corning facility as part of its State hatchery system, the U.S. Fish and Wildlife Service signed a Memorandum of Understanding with the Arkansas Game and Fish Commission transferring the operation of the Corning Hatchery to the Arkansas Game and Fish Commission. The hatchery has even been renamed the William H. Donham State Fish Hatchery.

Mr. President, it is time to give the State of Arkansas clear title to this property. The State has been operating and maintaining it for over 10 years

without any Federal funding and it has become an important component of the State's fisheries program. The proposed transfer not only has the support of the Arkansas Game and Fish Commission but also the U.S. Fish and Wildlife Service.

I urge my colleagues to join me in support of this legislation and look forward to its speedy passage.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Corning National Fish Hatchery Conveyance Act of 1995''.

SEC. 2. CONVEYANCE OF THE CORNING NATIONAL FISH HATCHERY TO THE STATE OF ARKANSAS.

(a) CONVEYANCE REQUIREMENT.—The Secretary of the Interior shall convey to the State of Arkansas, without reimbursement and by no later than December 31, 1995, all right, title, and interest of the United States in and to the property described in subsection (b), for use by the Arkansas Game and Fish Commission as part of the State of Arkansas fish culture program.

(b) PROPERTY DESCRIBED.—The property refereed to in subsection (a) is the property formally known as the Corning National Fish Hatchery, (popularly known as the William H. Donham State Fish Hatchery), located one mile west of Corning, Arkansas, on Arkansas State Highway 67 in Clay County, Arkansas, consisting of 137.34 acres, (more or less) and all improvements and related personal property under the control of the Secretary that is located on that property, including buildings, structures, and equipment.

(c) REVERSIONARY INTEREST OF UNITED STATES.—All right, title, and interest in property described in subsection (b) shall revert to the United States if the property ceases to be used as part of the State of Arkansas fish culture program. The State of Arkansas shall ensure that the property reverting to the United States is in substantially the same or better condition as the time of the transfer.

By Mr. MCCAIN:

S. 177. A bill to repeal the Ramspeck Act; to the Committee on Governmental Affairs.

THE RAMSPECK REPEAL ACT OF 1995

● Mr. MCCAIN. Mr. President, I introduce the Ramspeck Repeal Act, which would terminate the Ramspeck Act after a 2-year period. I believe the Ramspeck Act is obsolete and unfair, and the time has come to do away with it.

A description of the Ramspeck Act will quickly outline why I think it is unnecessary and unjustified. Signed into law in 1940, the Ramspeck Act provides exclusive privileges to former legislative and judicial branch employees to secure career civil service positions with the Federal Government. The Ramspeck Act makes a special exception to certain competitive requirements of civil service positions for individuals who have served 3 years in the legislative branch or 4 years in the judicial branch.

Under the Ramspeck Act, legislative branch employees are awarded status for direct appointment to a civil service position if they have been involuntarily separated from their job, and they are allowed 1 year from their date of separation in which to exercise this privilege. Furthermore, the Ramspeck Act waives any competitive examination which ranks applicants for a job for individuals who are former legislative or judicial branch employees. Therefore, if a competitive exam is required to rank candidates for a civil service position, the Ramspeck Act enables a select group of individuals to skip that hurdle, while assuring them of being able to be selected for the job.

Finally, individuals appointed under this act become career employees in the civil service without regard to the tenure of service requirements that exist for all other civil service employees. Most people who have successfully competed for a position with the civil service must then serve a 3-year probationary period before they achieve career status with their agency. Ramspeck appointees, however, are afforded career status immediately.

It is not appropriate for former legislative employees to receive special reemployment privileges that allow them to jump ahead of their fellow citizens when seeking a civil service position. It is both reasonable and equitable to require former legislative or judicial branch employees to compete for civil service jobs under the same terms that other Americans have to. Leveling the playing field for qualified individuals from the private sector who are interested in entering the civil service is a worthy endeavor, Mr. President, and one of the primary objectives of this proposal. By offering this legislation, I am also continuing my efforts to make the Congress abide by the same rules that our constituents live by.

Let me say that while I want to swiftly repeal the Ramspeck Act, I do not want to act in a manner that has a partisan or punitive impact. This proposal would have no impact on any former Senate or House employees who lost their jobs in the November 1994 election. I recognize that while the results of this November's election caused a large number of involuntary job losses among Democratic legislative employees, and many of them may currently be trying to utilize the Ramspeck Act to secure a civil service position. Clearly, Republican legislative branch employees have utilized their eligibility under the Ramspeck Act to seek civil service jobs after other elections, as well.

I strongly believe that the Ramspeck Act affords unfair employment privileges for both Republicans and Democrats alike, to the detriment of their fellow citizens who may not have had the opportunity to work in the legislative branch. Therefore, the legislation I am introducing today would terminate this reemployment perk 2 years after the enactment of this measure.

A repeal of the Rampseck Act is warranted because it is wrong for former legislative and judicial branch employees to be given special reemployment privileges that allow them to leap in front of equally qualified individuals—especially on the basis that they recently worked for a Senator or Congressmen who was recently defeated for reelection.

In closing, Mr. President, this legislation is about fairness and equal opportunity. The Ramspeck Act is an unnecessary and unjustified relic from another era, and it's time we repealed it. I hope the Senate will pass this legislation and take a sound step toward reforming a part of Federal civil service law that is an affront to the principles of merit-based job selections and true competition. I ask my colleagues to join with me in reaffirming these principals by supporting the Ramspeck Repeal Act.●

By Mr. LUGAR (for himself and Mr. LEAHY) (by request):

S. 178. A bill to amend the Commodity Exchange Act to extend the authorization for the Commodity Futures Trading Commission, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE COMMODITY FUTURES TRADING COMMISSION REAUTHORIZATION ACT

● Mr. LUGAR. Mr. President, I am pleased to introduce a bill to reauthorize the Commodity Futures Trading Commission [CFTC] to exercise its responsibilities to prevent manipulation, prohibit fraud, maintain financial integrity, and encourage innovation in the Nation's futures and commodity options markets through regulation and oversight. This legislation provides assurance to the national and international financial markets of the continuing authority of the CFTC, continues the CFTC's responsibilities under existing law, gives adequate time to complete implementation of the extensive amendments included in the Futures Trading Practices Act of 1992 [FTPA] and allows time for reviews of the effects of that implementation. The CFTC was established by the Commodity Futures Trading Commission Act of 1974 as a sunset agency, and its authority must be regularly extended by Congress. The FTPA authorized the agency for a period of only 2 years and the CFTC now operates under authority granted by Congress through the appropriations process, a deficiency this bill will correct.

The CFTC's task of overseeing and regulating a rapidly expanding futures industry has been, is, and will be enormous. The volume of commodity futures and options contracts traded on the Nation's commodity exchanges, or designated contract markets, for 1994 exceeded half-a-billion transactions.

These transactions directly or indirectly effect the financial well being of family farms, corporations, financial institutions, traders, and millions of individuals through pooled investments. All of this trading is carried out within a self-regulatory framework overseen and supplemented by the CFTC, an agency of less then 600 employees.

The futures industry is an essential part of our Nation's financial markets and the CFTC is an essential player in the federal regulation of those markets. President Bush recognized the role of the CFTC in establishing the President's Working Group on Financial Markets, in the wake of the October 1987 stock market collapse, which included the Secretary of the Treasury, the Chairman of the Federal Reserve Board of Governors, the Chairman of the Securities and Exchange Commission, and the Chairman of the CFTC. Former Secretary of the Treasury Bentsen reactivated the Working Group and the Chairman of the CFTC remains an active and vital participant in its efforts. Reauthorization of the CFTC will express congressional intent that the agency continue its role as a member of this group.

The volume of exchange traded futures and commodity options contracts and the increased importance of this trading to all sectors of the financial markets is not confined to the United States. New markets are developing in other nations around the world and governments of those countries are grappling with regulatory issues. The CFTC has taken a leading role in dealing with these governments on a variety of futures related matters. Reauthorization will assist the CFTC in its dealings with these governments. This is an area of increasing importance as our financial markets compete with overseas markets to attract and serve customers around the world.

Along with increasing volume, connections with other financial industries, and internationalization, the increasing complexity of financial transactions is a challenge facing the CFTC. The financial industry is now able to construct a bewildering array of instruments to serve the investment, or risk management needs of their customers.

Often these instruments are lumped together under the term ''derivatives.'' Exchange traded futures contracts governed by the requirements of Federal law since 1922 and overseen by the CFTC since 1974 are certainly one form of derivatives, since their value is derived from the value of an underlying commodity. Development of the over the counter instruments knows as derivatives led to the question whether they were the economic or legal equivalents of futures contracts. Since prior to FTPA, Federal law required all futures trading to occur on organized exchanges, this led to legal uncertainty in the now huge derivatives market. Using the broad exemptive authority granted by Congress in FTPA, the CFTC has been addressing this problem. Reauthorization will give these new markets the confidence that the process will go forward in a orderly way.

While the markets overseen by the CFTC have grown immensely in volume, variety of products, and diversity of users, the importance of futures trading to agriculture cannot be overstated. The development of futures trading allowed farmers to mitigate the boom and bust cycle of prices for their crops through intelligent marketing. Today futures trading is an integral part of pricing and risk management for U.S. agriculture. The volume of exchange traded futures and commodity options contracts on U.S. commodity exchanges totalled over 58 million transactions in 1994. This trading affected not only the market participants, but ultimately all producers, processors, merchandisers and consumers of agricultural products with prices affected by exchange trading. As the Congress reviews the current Federal commodity programs through hearings, and debates on the 1995 farm bill, the pricing and risk shifting functions of the futures markets may take on even more importance as we reconsider the role of the Federal Government in stabilizing prices and assuming price risks in agriculture. As we take on this task, we need to assure ourselves that the futures markets are operated appropriately and are properly overseen.

Finally, after 4 years of hearings, debate, and consideration the Congress passed FTPA. The law addressed not only the tremendous growth in volume, variety of products, internationalization, and complexity issues discussed above; but also concerns about the interrelationship of the futures and securities markets in the wake of the October 1987 stock market collapse, fraudulent trading practices by numerous individuals on the Nation's exchanges as disclosed by FBI undercover operations and CFTC investigations, and the negative effect on soybean prices precipitated by an exchange emergency action that angered many producers. The Congress granted the CFTC new authorities to address these issues. Further, the Congress directed the agency to undertake numerous rulemakings and studies to implement the requirements of FTPA. That law amended the Commodity Exchange Act to:

Improve the regulation of futures and options traded under rules and regulations of the Commodity Futures Trading Commission; to establish registration standards for all exchange floor traders; to restrict practices that may lead to the abuse of outside customers of the marketplace; to reinforce development of exchange audit trails to better enable the detection and prevention of such practices; to establish higher standards for service on governing boards and disciplinary committees of self-regulatory organizations; to enhance the international regulation of futures trading; to regularize the process of authorizing appropriations for the Commodity Futures Trading Commission; and for other purposes. . . .

The committee intends to commence hearings in the near future to review the CFTC's progress in implementing FTPA. Enactment of this legislation will assure orderly implementation of FTPA and assure industry participants, commerce generally and the public of continued oversight of this vital sector of the American economy.

Mr. President, I ask unanimous consent that the full text of the bill I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 178

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''CFTC Reauthorization Act of 1995''.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 12(d) of the Commodity Exchange Act (7 U.S.C. 16(d)) is amended to read as follows:

''(d) There are authorized to be appropriated such sums as are necessary to carry out this Act for each of fiscal years 1995 through 2000.''.●

By Mr. ROTH:

S. 179. A bill to amend the Immigration and Nationality Act to facilitate the apprehension, detention, and deportation of criminal aliens, and for other purposes; to the Committee on the Judiciary.

THE CRIMINAL ALIEN CONTROL ACT OF 1995

● Mr. ROTH. Mr. President, today I am introducing the Criminal Alien Control Act of 1995. This comprehensive legislation addresses a problem that has reached staggering proportions in this country: criminal aliens.

Without question, there are many problems with our Nation's immigration system. I hope that this is the year we undertake comprehensive immigration reform, including changing the much-abused asylum process. But we cannot effectively reform our immigration system without addressing the problem of criminal aliens.

The problem of criminal aliens occupies the dangerous intersection of crime and the control of our Nation's borders, two issues of great concern to the American people. I hope we can all agree that there is no place in this country for people who come here and commit serious crimes. Criminals are one commodity we do not need to import.

Last Congress, as ranking minority member of the Permanent Subcommittee on Investigations, I conducted an investigation and held 2 days of hearings on the problem of criminal aliens and the governmental response to that problem. Our investigation found that criminal aliens are a serious threat to our public safety that is costing our criminal justice system hundreds of millions of dollars. And the problem is getting worse by leaps and bounds.

Criminal aliens now account for an all-time high of 25 percent of the Federal prison population and are, by far, the fastest growing segment of the Federal prison population. Throughout our Nation's criminal justice system, there are an estimated 450,000 criminal aliens—a staggering number.

Although our investigation found that the Immigration and Naturalization Service is not adequately responding to the criminal alien problem, the INS does not deserve all of the blame. In fact, when it comes to criminal aliens, there is plenty of blame to go around and we in Congress are not immune. Congress deserves blame because our Federal criminal alien deportation laws, created on a piecemeal and patchwork basis, set out an irrational, lengthy and overly complex process that prevents us from deporting criminals as rapidly as we should be.

There are, however, many difficulties with the INS that have exacerbated this problem. For example, the INS is unable to even identify most of the criminal aliens who clog our State and local jails before these criminals are released onto our streets. Also, many criminal aliens, having been identified, are released on bond while the lengthy deportation process is pending. It should be a surprise to no one that many skip bond and never show up for their deportation hearings.

One thing the IRS does is routinely provide criminal aliens with work permits legally allowing them to get jobs while their appeals are pending. One INS deportation officer told my staff that he spends only about 5 percent of his time looking for criminal aliens because he must spend most of his time processing their work permits.

As for actual deportation, the final step in the process, criminal aliens often are not actually deported even when deportation orders have been issued for them. According to the INS, there are more than 27,000 aliens, including many criminal aliens, who have been ordered deported yet remain at large. It is no wonder that one frustrated INS official told us that only the stupid and honest actually get deported.

Perhaps the ultimate indictment of the current system is that even on those rare occasions when the system actually works and a criminal alien is deported, reentry into the United States is so easy that it makes the whole process appear to be a giant exercise in futility. The subcommittee obtained long lists of criminal aliens who have repeatedly been deported only to reenter the country illegally and commit more crimes.

My legislation addresses the serious problem posed by criminal aliens by simplifying, streamlining and strengthening the deportation process for these aliens who have been convicted of committing crimes in this country.

My legislation simplifies existing law by eliminating the confusing array of crimes for which criminal aliens are deportable. Under my legislation, any alien who commits any felony is deportable—period.

My legislation streamlines the deportation process for criminal aliens by, among other things, requiring aliens who are not permanent residents and who wish to appeal deportation orders, to do so from their home countries, after they have been deported. My legislation further streamlines the process by allowing States and Federal judges to order the deportation of criminal aliens. Once an alien has been convicted beyond a reasonable doubt of having committed a felony, having had the benefit of all the due process that is required in our criminal justice system, there is no reason why the sentencing judge should not also be permitted to enter an order of deportation at the time of sentencing. My legislation also restricts the defense currently used by criminal aliens to delay or avoid deportation.

Also, as many of us know, certain State and local governments have been highly critical of what they see as the Federal Government's inability to effectively police our Nation's borders. Yet, some of these same jurisdictions have passed laws and adopted official policies prohibiting their local police departments and other employees from cooperating with Federal immigration officials. I think that is hypocritical. I offered an amendment to the crime bill last year that was adopted 93–6 that would cut crime bill funding to local entities that adopt such policies of noncooperation, but my amendment was dropped in conference. A similar provision is included in this legislation.

Through this comprehensive legislation, I believe we can begin to effectively address the growing serious problem of criminal aliens in this country. I believe this is an essential step on the road to meaningful reform of our Nation's immigration system and I urge my colleagues to support this important measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Criminal Alien Control Act of 1995''.

SEC. 2. TABLE OF CONTENTS.

The following is the table of contents for this Act:

TITLE I—DEPORTATION OF CRIMINAL ALIENS

SEC. 101. EQUAL IMMIGRATION TREATMENT TO ALL ALIEN FELONS.

(a) FELONIES.—(1) Sections 101(f) (8 U.S.C. 1101(f)); 106(a) (8 U.S.C. 1105a(a)); 208(d) (8 U.S.C. 1158(d)); 212(a)(6)(B) (8 U.S.C. 1182(a)(6)(B)); 236(e)(i) (8 U.S.C. 1226(e)(i)); 241(a)(2)(A) (8 U.S.C. 1251(a)(2)(A)); 242 (8 U.S.C. 1252(a)); 242A(d) (8 U.S.C. 1252a); 242B(c) (8 U.S.C. 1252b(c)); 243(h) (8 U.S.C. 1253(h)); 244(e) (8 U.S.C. 1254(e)); and 277 (8 U.S.C. 1327) are amended by striking ''aggravated felony'', ''an aggravated felony'', and ''aggravated felonies'' each place they appear and inserting in lieu thereof ''felony'', ''a felony'', or ''felonies'', respectively.

(2) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding at the end the following new paragraph:

''(47) The term 'felony' means any offense under Federal or State law that is punishable by death or imprisonment for more than 1 year.''.

(b) PRECLUSION OF JUDICIAL REVIEW.—Section 106(c) of the Immigration and Nationality Act (8 U.S.C. 1105a(c)) is amended—

(1) by inserting ''(1)'' immediately after ''(c)''; and

(2) by adding at the end the following:

''(2) An order of deportation or of exclusion shall not be reviewed by any court of the United States if the grounds for such order is the commission of a felony by the alien, except that the Attorney General may defer deportation or exclusion of the alien pending judicial review if the Attorney General determines that to do otherwise would cause hardship to the alien.''.

SEC. 102. DEPORTATION PROCEDURES FOR CERTAIN CRIMINAL ALIENS.

(a) IN GENERAL.—Section 242A(a) of the Immigration and Nationality Act (8 U.S.C. 1252a(a)) is amended—

(1) in paragraph (1), by inserting ''permanent resident'' after ''correctional facilities for'';

(2) in paragraph (2) by striking ''respect to an'' and inserting ''respect to a permanent resident''; and

(3) in paragraph 3, by inserting ''permanent resident'' after ''in the case of any''.

(b) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—Section 242A(b)(1) of such Act is amended by striking ''Attorney General may'' and inserting ''Attorney General shall''.

(c) PRESUMPTION OF DEPORTABILITY.—Section 242A of such Act (8 U.S.C. 1252a) is

amended by adding at the end the following new subsection:

''(d) PRESUMPTION OF DEPORTABILITY.—An alien convicted of an aggravated felony shall be conclusively presumed to be deportable from the United States.''.

(d) LIMITED JUDICIAL REVIEW.—Section 106(d) of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended to read as follows:

''(d) Notwithstanding subsection (c), a petition for review or for habeas corpus on behalf of an alien described in section 242A(c) may only challenge whether the alien is in fact an alien described in such section, and no court shall have jurisdiction to review any other issue.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 103. JUDICIAL DEPORTATION.

(a) JUDICIAL DEPORTATION.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

''(c) JUDICIAL DEPORTATION.—

''(1) AUTHORITY.—Notwithstanding any other provision of this Act, a United States district court or a State court shall have jurisdiction to enter a judicial order of deportation at the time of sentencing against an alien whose criminal conviction causes such alien to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of a felony).

''(2) PROCEDURE.—(A) The United States Attorney or, in the case of a proceeding before a State court, the State's attorney general, shall provide notice of intent to request judicial deportation promptly after the entry in the record of an adjudication of guilt or guilty plea. Such notice shall be provided to the court, to the alien, to the alien's counsel of record, and to the Commissioner.

''(B) Notwithstanding section 242B—

''(i) in the case of a proceeding before a United States court, the United States Attorney, with the concurrence of the Commissioner, or

''(ii) in the case of a proceeding before a State court, the State's attorney general,

shall, at least 20 days before the date set for sentencing, file a charge containing factual allegations regarding the alienage of the defendant and satisfaction by the defendant of the definition of felony.

''(C) If the court determines that the defendant has presented substantial evidence to establish prima facie eligibility for relief from deportation under section 212(c), the court shall request the Attorney General to provide the court with a recommendation and report regarding the alien's eligibility for relief under such section. The court shall either grant or deny the relief sought.

''(D)(i) The alien shall have a reasonable opportunity to examine the evidence against him or her, to present evidence on his or her own behalf, and to cross-examine witnesses presented by the Government.

''(ii) The court, for the purposes of determining whether to enter an order described in paragraph (1), shall only consider evidence that would be admissible in proceedings conducted pursuant to section 242(b).

''(3) NOTICE, APPEAL, AND EXECUTION OF JUDICIAL ORDER OF DEPORTATION.—(A)(i) A judicial order of deportation or denial of such order may be appealed by either party to the court of appeals for the circuit in which the United States district court is located or to the appropriate State court of appeals, as the case may be.

''(ii) Except as provided in clause (iii), such appeal shall be considered consistent with the requirements described in section 106.

''(iii) Upon execution by the defendant of a valid waiver of the right to appeal the conviction on which the order of deportation is based, the expiration of the period described in section 106(a)(1), or the final dismissal of an appeal from such conviction, the order of deportation shall become final and shall be executed at the end of the prison term in accordance with the term of the order.

''(B) As soon as is practicable after entry of a judicial order of deportation by a United States court, the Attorney General shall provide the defendant with written notice of the order of deportation, which shall designate the defendant's country of choice for deportation and any alternate country pursuant to section 243(a).

''(C) As soon as is practicable after entry of a judicial order of deportation by a State court, the State court shall notify the Attorney General of the order. Upon the termination of imprisonment of the alien, the State shall remand the alien to the custody of the Attorney General. The Attorney General shall effect the deportation of the alien in the manner prescribed in this Act with respect to final orders of deportation.

''(4) DENIAL OF JUDICIAL ORDER.—Denial of a request for a judicial order of deportation shall not preclude the Attorney General from initiating deportation proceedings pursuant to section 242 upon the same ground of deportability or upon any other ground of deportability provided under section 241(a). Any denial of a judicial order of deportation shall include a statement in writing stating the reasons for the denial.

''(5) DEFINITION.—For purposes of this subsection, the term 'State' refers to any of the several States and the District of Columbia.''.

(b) TECHNICAL AND CONFORMING CHANGES.—The ninth sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by striking out ''The'' and inserting in lieu thereof ''Except as provided in section 242A(c), the''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens whose adjudication of guilt or guilty plea is entered in the record after the date of enactment of this Act.

SEC. 104. UNCONTESTED DEPORTATIONS.

Section 242B of the Immigration and Nationality Act (8 U.S.C. 1252b) is amended—

(1) in subsection (a)(1), by adding at the end the following new subparagraph:

''(G) The right of an alien deportable under section 241(a)(2) to execute a deportation affidavit pursuant to subsection (f) in lieu of deportation proceedings.'';

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following:

''(f) DEPORTATION AFFIDAVIT.—In lieu of a determination of deportability in a proceeding before a special inquiry officer, an alien may elect to admit deportability under section 241(a)(2) through the execution of an affidavit witnessed by such an officer and a notary public. A special inquiry officer shall make a determination of deportability under this subsection based solely on the affidavit and, if he finds the alien deportable, shall issue an order of deportation with respect to that alien.''.

SEC. 105. RESTRICTING DEFENSES TO DEPORTATION FOR CERTAIN CRIMINAL ALIENS.

(a) DEFENSES BASED ON SEVEN YEARS OF PERMANENT RESIDENCE.—Section 212(c) of the Immigration and Nationality Act (8 U.S.C. 1182(c)) is amended—

(1) in the third sentence, by striking ''has served for such felony or felonies'' and all that follows through the period and inserting ''has been sentenced for such felony or felonies to a term of imprisonment of at least 5 years, if the time for appealing such conviction or sentence has expired and the sentence has become final;''; and

(2) by adding at the end the following new sentence: ''For purposes of calculating the period of seven consecutive years under this subsection, any period of imprisonment of the alien by Federal, State, or local authorities shall be excluded but shall not be considered to have broken the continuity of the period.''.

(b) DEFENSES BASED ON WITHHOLDING OF DEPORTATION.—Section 243(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1253(h)(2)) is amended—

(1) by striking ''or'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(3) by striking the final sentence and inserting the following new subparagraph:

''(E) the alien has been convicted of a felony.''; and

SEC. 106. EXTRATERRITORIAL APPEALS BY CRIMINAL ALIENS.

Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended by adding at the end the following new subsection:

''(e)(1) In the case of any alien found to be deportable under section 242(a)(2), the Attorney General may not defer deportation of the alien and shall, after issuance of the deportation order, take the alien into custody until the alien is deported.

''(2) Any court of the United States shall have jurisdiction to review an order of deportation issued under paragraph (1) in any case where the petitioner for review is outside the United States. Any alien for whom an order of deportation has been vacated under this paragraph shall be issued a valid visa and admitted to the United States to the status held by the alien before deportation.''.

SEC. 107. COLLATERAL ATTACKS ON UNDERLYING DEPORTATION ORDER.

Section 276 of the Immigration and Nationality Act (8 U.S.C. 1326) is amended by adding at the end the following new subsection:

''(c) In any criminal proceeding under this section, no alien may challenge the validity of the deportation order described in subsection (a)(1) or subsection (b).''.

SEC. 108. RESTRICTION ON ASYLUM FOR CRIMINAL ALIENS.

(a) IN GENERAL.—Section 208 of the Immigration and Nationality Act (8 U.S.C. 1158) is amended by adding at the end the following new subsections:

''(f) Notwithstanding subsection (a), an alien may only be granted asylum under this section if the alien claims asylum within 15 days of the alien's entry into the United States, unless the alien establishes by clear and convincing evidence that since the date of entry into the United States circumstances have changed in the alien's country of nationality (or, in the case of a person having no nationality, the country in which such alien last habitually resided) such that, if the alien returned to the country, it is more likely than not that the alien would be arrested or incarcerated or the alien's life would be threatened in such country on account of race, religion, nationality, membership in a particular social group, or political opinion.

''(g) An alien is not eligible for asylum under this section if the Attorney General determines that—

''(1) the alien ordered, incited, assisted, or otherwise participated in the persecution of

any person on account of race, religion, nationality, membership in a particular social group, or political opinion;

''(2) the alien, having been convicted by a final judgment of a particularly serious crime, constitutes a danger to the community of the United States;

''(3) there are serious reasons for believing that the alien has committed a serious nonpolitical crime outside the United States prior to the arrival of the alien in the United States;

''(4) there are reasonable grounds for regarding the alien as a danger to the security of the United States; or

''(5) a country willing to accept the alien has been identified (other than the country described in subsection (f)) to which the alien can be deported or returned and the alien does not establish that it is more likely than not that the alien would be arrested or incarcerated or the alien's life would be threatened in such country on account of race, religion, nationality, membership in a particular social group, or political opinion.

For purposes of paragraph (2), an alien who has been convicted of a felony shall be considered to have committed a particularly serious crime. The Attorney General shall prescribe regulations that specify additional crimes that will be considered to be a crime described in paragraph (2) or (3).''.

(b) CONFORMING AMENDMENT.—Section 208(a) of such Act (8 U.S.C. 1158(a)) is amended by inserting '', except as provided in subsection (g),'' after ''asylum, and''.

SEC. 109. FEDERAL INCARCERATION.

Section 242(j)(1)(B) of the Immigration and Nationality Act (8 U.S.C. 1252(j)) is amended by inserting ''for a determinate term of imprisonment'' after ''the alien''.

SEC. 110. FORM OF DEPORTATION HEARINGS.

Section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by inserting after the second sentence the following new sentence: ''Nothing in the preceding sentence precludes the Attorney General from authorizing proceedings by electronic or telephonic media (with or without the consent of the alien) or, where waived or agreed to by the parties, in the absence of the alien.''.

SEC. 111. CONSTRUCTION OF EXPEDITED DEPORTATION REQUIREMENTS.

No amendment made by this Act may be construed to create any substantive or procedural right or benefit that is legally enforceable by any party against the United States, its agencies or officers, or against any other person.

TITLE II—LOCAL COOPERATION WITH FEDERAL OFFICIALS AND PROCEDURES

SEC. 201. FUNDING BASED ON COOPERATION.

(a) STATE AND LOCAL COOPERATION.—Notwithstanding any law, ordinance, or regulation of any State or subdivision thereof to the contrary, officials of any State or local government or agency, upon the request of any duly authorized official of the Immigration and Naturalization Service, shall provide information regarding the identification, location, arrest, prosecution, detention, and deportation of an alien or aliens who are not lawfully present in the United States.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attorney General and the Commissioner of Immigration and Naturalization shall jointly report to the Congress and the President on the extent to which State and local governments are not cooperating with the Immigration and Naturalization Service. This report shall identify any State or local governments that have adopted laws, policies, or practices of noncooperation with the Immigration and Naturalization Service, the specific nature of those laws, policies or practices, and their impact on the enforcement of the immigration laws.

(c) FUNDING BASED ON COOPERATION.—No State or local government or agency which has been identified in the Attorney General's report required by subsection (b), which has a policy or practice of refusing to cooperate with the Immigration and Naturalization Service regarding the identification, location, arrest, prosecution, detention, or deportation of aliens who are not lawfully present in the United States, shall be eligible for any Federal funds from appropriations made pursuant to a provision of the Violent Crime Control and Law Enforcement Act of 1994 or of an amendment made by authorizing appropriations, as long as such policy or practice remains in effect.

SEC. 202. PRODUCTION OF CRIMINAL RECORDS.

Section 503(a)(11) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3753(a)) is amended by inserting ''or any political subdivision thereof'' after ''State'' the second, third, and fourth occurrence thereof.

TITLE III—MISCELLANEOUS

SEC. 301. DETENTION OF UNDOCUMENTED CRIMINAL ALIENS AT MILITARY INSTALLATIONS TO BE CLOSED.

(a) IN GENERAL.—(1) Notwithstanding any other provision of law, the Secretary of Defense shall make available to the Attorney General for the purpose referred to in paragraph (2) any military installation of the Department of Defense that—

(A) is approved for closure under a base closure law; and

(B) is jointly determined by the Secretary and the Attorney General to be an appropriate facility for the detention of undocumented aliens.

(2) The Attorney General shall use facilities made available to the Attorney General under this paragraph for the detention of undocumented criminal aliens.

(b) DEFINITIONS.—In this section:

(1) The term ''approved for closure under a base closure law'', in the case of a military installation, means any installation whose closure under a base closure law is recommended by the President and not disapproved by Congress in accordance with the provisions of such law.

(2) The term ''base closure law'' means the following:

(A) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 102–510; 10 U.S.C. 2687 note).

(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(3) The term ''undocumented criminal alien'' means an alien who—

(A) has been convicted of a felony and sentenced to a term of imprisonment, and

(B)(i) entered the United States without inspection or at any time or place other than as designated by the Attorney General, or

(ii) was the subject of exclusion or deportation proceedings at the time he or she was taken into custody by the State.

SEC. 302. AUTHORIZING REGISTRATION OF ALIENS ON CRIMINAL PROBATION OR CRIMINAL PAROLE.

Section 263(a) of the Immigration and Nationality Act (8 U.S.C. 1303(a)) is amended by striking ''and (5)'' and inserting ''(5) aliens who are or have been on criminal probation or criminal parole within the United States, and (6)''.

SEC. 303. ADMISSIBLE EVIDENCE BEFORE A SPECIAL INQUIRY OFFICER.

In any proceeding under the Immigration and Nationality Act before a special inquiry officer, such documents and records as are described in section 3.41 of title 8, Code of Federal Regulations, as in effect on the date of enactment of this Act, may be admissible as evidence of a criminal conviction.●

By Mr. KENNEDY (for himself, Mr. SIMON, and Mr. DODD):

S. 180. A bill to streamline and reform Federal job training programs to create a world-class work force development system for the 21st century, and for other purposes; to the Committee on Labor and Human Resources.

THE WORKFORCE DEVELOPMENT ACT

Mr. KENNEDY. Mr. President, today I am introducing the Workforce Development Act. This bill is a complement to S. 6, the Working Americans Opportunity Act, which was introduced on the first day of this Congress by Senator DASCHLE, Senator BREAUX, other Senators, and myself.

One of our top priorities for this session is to modernize the current confusing and overlapping array of job training programs. In today's rapidly changing economy, we must provide more effective opportunities for workers to upgrade their skills and improve their earning power over the course of their careers.

Compared to other major industrial nations, the United States is still in the Dark Ages of enabling workers and firms to adjust to changes taking place in the economy. The policy foundations for our current job training system was established during the years of the New Deal, the New Frontier, and the Great Society.

The primary challenge that most of our current programs were designed to address was to help various hard-to-serve groups to enter the labor force. Many of these programs—such as the Job Corps—have been very successful. Over the years millions of economically disadvantaged individuals have benefitted.

As we move forward with new ideas to modernize our job training system we must not retreat from the commitment to provide the basic skills and support services which make it possible for large numbers of disadvantaged Americans to achieve self-sufficiency in the labor market.

At the same time, we also need to respond to the new and powerful economic forces which are disrupting the existing labor markets for millions of working Americans and their families. As a result of increased international competition, rapid technological change, reductions in defense spending, and the re-engineering and down-sizing of corporations, many men and women already in the labor force must be retrained to improve their skills and enable them to continue to productive careers. In the evolving modern economy, this kind of retraining may be needed more than once, and often several times, over the course of people's careers.

We also must respond to the concerns of the large numbers of two-income families, and families with single heads

of household who face the difficult challenge of balancing work and family responsibilities. We need a more flexible job training and employment system that can help the breadwinners in working families to move in and out of the labor force without losing their earning power.

Over the past decade, many private businesses have taken steps to streamline their operations to deal with the profound changes taking place in our economy. It is clearly time for the Federal Government to act as well to consolidate and coordinate current job training programs in order to give workers a greater opportunity to succeed. It is time for a comprehensive overhaul of Federal job training policy. The Workforce Development Act I am introducing provides action to streamline and reform current policy. It encourages the States to experiment with new approaches to make their own job training programs more responsive to the real needs of working families.

A key element of both the Workforce Development Act and S. 6, the Working Americans Opportunity Act introduced earlier this week, is the idea of making vouchers available to workers, so that they can purchase the training programs of their choice. President Clinton is right in proposing vouchers as a means to enable market forces to help transform the current excessively bureaucratic programs into a more effective system driven by the real needs of workers, job seekers, and firms in communities across the country.

Last year Senator KASSEBAUM and I began to work together to devise a new strategy to create the type of work force development system the Nation needs. In June we issued a joint statement on the Senate floor which laid out a series of principles to guide this reform. Several other Senators joined us at that time, and we subsequently received support from many other Senators on both sides of the aisle. Over the course of the summer and into last fall we worked together to lay the groundwork for a bipartisan reform effort in the 104th Congress.

The Senate has a good record of bipartisan accomplishment in the area of work force development policy. When the Republicans controlled this body in the 1980's, many of us worked closely with Senator Dan Quayle to pass the Job Training Partnership Act, which established the principle of a strong private sector role at the local level in designing training programs for disadvantaged and dislocated workers.

Similarly, in the last session of Congress, a bipartisan coalition of Senators joined in passing the School-To-Work Act. Much of the foundation for this bill was laid by the landmark ''American choice'' report issued in 1990 by a distinguished bipartisan commission led by former Labor Secretaries Bill Brock and Ray Marshall. As a result of this groundwork, the School-To-Work Act earned broad support from business, labor, governors, mayors, and leaders in education. It is time to apply that same sense of shared purpose to making all our job training programs more responsive to the needs of job seekers and workers struggling to be competitive in our modern economy.

The legislation I am introducing today grew out of discussions with Members of Congress on both sides of the aisle in the 103d Congress and with the Clinton administration. It also draws on the innovative steps being taken in Massachusetts to meet this challenge and to define the proper role of the private and public sectors and Federal, State, and local governments in work force policy.

In addition to streamlining and reforming Federal job training programs, this legislation will repeal duplicative or outmoded programs, and encourage States and communities to rationalize many others.

These efforts will give flexibility to the States to test ways that vouchers can best be implemented to help workers navigate or circumvent the excessive bureaucracy that now exists. One-stop career centers will be established to ensure that workers have an opportunity to make effective use of these vouchers. A new information system will produce reports on the effectiveness of training programs. All of the activities authorized by this act will be paid for by cost savings achieved in existing programs.

The existing bureaucracy is unlikely to reform itself. The private sector, especially business, labor, and community leaders, will have a key role in advising the public sector on all aspects of these reforms.

The Work Force Development Act also takes direct steps to assist current workers. Assistance will be available to business and labor to upgrade the skills of adult workers and establish portable industry-based skill credentials to serve as a passport to succeed in the labor market.

Finally, the bill establishes a timetable for further reform. By June 1, 1999 a national board must submit recommendations to the President and Congress. To ensure that Congress acts on these recommendations, 20 separate programs with more than $4 billion in funding will sunset September 30, 1999.

I look forward to working closely with Senators on all aspects of these fundamental issues. We need practical, not partisan or ideological answers. Most of all, we need a job training policy that can be for workers. I am hopeful that we can make landmark progress toward that goal in this session of Congress.

I ask unanimous consent that a summary of the bill and a copy of the bill be entered into the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Workforce Development Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) increasing international competition, technological advances, and structural changes in the United States economy present new challenges to private firms and public policymakers in creating a skilled workforce with the ability to adapt to change and technological progress;

(2) the Federal Government should work with the private sector to create a streamlined, high-performance workforce development system that is driven by the needs of its customers rather than bureaucratic requirements;

(3) such a system should actively encourage collaboration among private sector firms and publicly funded education and training efforts in order to assist jobseekers and workers to adjust to structural economic changes;

(4) although it is necessary for the Federal Government to consolidate or eliminate unnecessary programs, the primary goal of Federal workforce development policy should be to help facilitate transactions taking place between jobseekers, workers, and business in local labor markets;

(5) while the Federal Government must maintain its commitment to provide economically and educationally disadvantaged individuals with skills and support services necessary to succeed in the labor market, Federal workforce development policy must also begin to provide incentives to assist firms to help upgrade the skills of their front-line workers;

(6) in order for labor markets to function more effectively, there must be—

(A) timely, accurate information about the supply, demand, price, and quality of services available in the job training marketplace; and

(B) trained brokers available to assist customers to choose the most suitable service;

(7) accordingly, the United States needs a comprehensive integrated labor market information system to ensure that workforce development programs are related to the demand for particular skills in local labor markets, and a mechanism for providing brokerage services to ensure that information about the employment and earnings of the local workforce, and the performance of education and training institutions, will be available to jobseekers, workers, and firms;

(8) in order to bring more coherence to Federal workforce development policy, there should be a single entity at the Federal, State, and local level vested with the necessary authority to strategically plan ways to transform the separate training and employment programs into an integrated and accountable workforce development system;

(9) these Federal, State, and local strategic planning bodies should be structured in such a way to give businesses and workers a meaningful role in shaping policy and overseeing the quality of workforce development programs;

(10) in recent years, many States and communities have made progress in developing new approaches to better integrate Federal employment and training programs;

(11) the Federal Government should take more systematic measures to encourage experimentation and flexibility, and to disseminate best practices in the design and implementation of a comprehensive workforce development system throughout the country; and

(12) the Federal Government should address the findings of this subsection through the implementation of immediate and long-term improvements that result in the establishment of a high-quality workforce development system needed for the economy of the 21st century.

(b) PURPOSE.—It is the purpose of this Act—

(1) to take certain immediate actions, and to establish a process for bringing about longer term improvements, that are needed to begin the transformation of Federally funded education and job training efforts from a collection of fragmented programs into a coherent, integrated, accountable workforce development system that—

(A) is based on the needs of jobseekers, workers, and employers, rather than bureaucratic requirements;

(B) is accessible to any jobseeker, worker, or employer;

(C) focuses on accountability, performance, and accurate information;

(D) provides flexibility and responsibility to the States, and in turn to local communities, for design and implementation of workforce development systems;

(E) requires the active involvement of firms and workers in the governance, design, and implementation of such system;

(F) is linked directly to employment and training opportunities in the private sector; and

(G) adopts best practices of quality administration and management that have been successful in the private sector; and

(2) to authorize appropriations under this Act for fiscal year 1996 at the same level as appropriations are authorized for fiscal year 1995 for the programs repealed under section 102(a).

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subject to subsection (b), there are authorized to be appropriated to carry out titles II, III, and IV—

(1) $160,000,000 for fiscal year 1996; and

(2) such sums as may be necessary for each of fiscal years 1997 through 1999.

(b) LIMITATIONS.—

(1) FISCAL YEAR 1996.—Of the funds made available pursuant to subsection (a) for fiscal year 1996—

(A) not more than 5 percent shall be used for the activities of the National Board;

(B) not more than 10 percent shall be used for matching grants pursuant to section 404;

(C) not more than 15 percent shall be used for development grants pursuant to section 203(a); and

(D) not less than 70 percent shall be used for implementation grants pursuant to section 203(b).

(2) FISCAL YEARS 1997 THROUGH 1999.—Of the funds made available pursuant to subsection (a) for each of fiscal years 1997 through 1999—

(A) not more than 5 percent shall be used for the activities of the National Board;

(B) not more than 10 percent shall be used for matching grants pursuant to section 404; and

(C) not less than 85 percent shall be used for implementation grants pursuant to section 203(b).

(c) INTEGRATED LABOR MARKET INFORMATION SYSTEM.—To carry out title V, there are authorized to be appropriated—

(1) $90,000,000 for fiscal year 1996; and

(2) such sums as may be necessary for each succeeding fiscal year.

SEC. 4. DEFINITIONS.

As used in this Act—

(1) DEVELOPMENT GRANT.—The term ''development grant'' means a grant provided to each State under section 203(a).

(2) IMPLEMENTATION GRANT.—The term ''implementation grant'' means a grant provided under section 203(b).

(3) LEADING EDGE STATE.—The term ''leading edge State'' means a State that has been awarded an implementation grant under section 203(b).

(4) WORKFORCE DEVELOPMENT PROGRAM.—The term ''workforce development program'' means any Federally-funded or State-funded program that provides job training assistance to individuals or assists employers to identify or train workers.

(5) INTEGRATED WORKFORCE DEVELOPMENT SYSTEM; INTEGRATED SYSTEM.—The terms ''integrated workforce development system'' and ''integrated system'' mean the system of employment, training, and employment-related education programs, including the programs described in section 103(a) and any additional Federal or State programs designated by the Governor of a State, comprising the system described in section 203(b).

(6) NATIONAL BOARD.—The term ''National Board'' means the National Workforce Development Board established under section 202(b).

(7) NATIONAL REPORT CARD.—The term ''National Report Card'' means the Nation's Workforce Development Report Card prepared pursuant to section 202(c)(1).

(8) STATE COUNCIL.—The term ''State Council'' means a State Workforce Development Council established pursuant to section 211.

(9) STATE BLUEPRINT.—The term ''State Blueprint'' means the State Workforce Development Policy Blueprint prepared pursuant to section 214(a);

(10) STATE REPORT CARD.—The term ''State Report Card'' means the State Workforce Development Report Card issued pursuant to section 214(b).

(11) WORKFORCE DEVELOPMENT BOARD.—The term ''workforce development board'' means a local board established pursuant to section 202.

(12) UNIFIED SERVICE DELIVERY AREA.—The term ''unified service delivery area'' means the common geographic service area boundaries established pursuant to section 217 and overseen by a workforce development board.

(13) ONE-STOP CAREER CENTER.—The term ''one-stop career center'' means an access point for intake, assessment, referral, and placement services, including services provided electronically, that is part of the network established pursuant to section 234.

(14) HARD-TO-SERVE.—The term ''hard-to-serve'' means an individual meeting the requirements of section 203(b) of the Job Training Partnership Act (29 U.S.C. 1603(b)).

(15) SECRETARY.—The term ''Secretary'' means the Secretary of Labor, unless otherwise specified.

TITLE I—STREAMLINING AND CONSOLIDATION

SEC. 101. PURPOSE; FINDINGS; SENSE OF THE CONGRESS.

(a) PURPOSE.—The purpose of this title is to streamline the system of federally funded employment training services available to jobseekers, workers, and businesses.

(b) FINDINGS.—The Congress finds that—

(1) the process of streamlining the current collection of federally funded employment training programs begins with eliminating and consolidating separate employment training programs; and

(2) as such programs are eliminated, the funding for such programs should be utilized to support the creation of a market-driven workforce development system, as described in section 2(b).

(c) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) any budget savings realized as a result of the repeal of programs pursuant to section 102 or through the consolidation of programs pursuant to sections 103 and 104 should be reinvested in the Nation's job training system; and

(2) as programs are eliminated and merged, it is imperative that such elimination and merging be done without in any way reducing the commitment or level of effort of the

Federal Government to improving the education, employment, and earnings of all workers and jobseekers particularly hard-to-serve individuals.

SEC. 102. ELIMINATION OF CERTAIN PROGRAMS.

(a) IN GENERAL.—The following provisions are repealed:

(1) Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(2) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(3) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(4) Section 20 of the Federal Transit Act (49 U.S.C. App. 1616).

(5) The Displaced Homemaker Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(6) Section 43 of the Airline Deregulation Act of 1978 (49 U.S.C. App. 1552).

(7) Title II of Public Law 95–250 (92 Stat. 172).

(8) Section 413 of the Carl D. Perkins Vocational and Applied Technology Education Act (21 U.S.C. 2413).

(9) Title V of the Job Training Partnership Act (29 U.S.C. 1791 et seq.).

(10) Part J of title IV such Act (29 U.S.C. 1784 et seq.).

(11) Section 325 of such Act (29 U.S.C. 1662d).

(12) Section 325A of such Act (29 U.S.C. 1662d–1).

(13) Section 326 of such Act (29 U.S.C. 1662e).

(14) Sections 1141 through 1144 of title 10, United States Code.

(15) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(b) REPEALS OF EMPLOYMENT TRAINING PROGRAMS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The National Board shall include in the draft joint resolution submitted under section 104(b), technical and conforming amendments regarding the provisions repealed under subsection (a). Such proposed amendments should be consistent with the purposes of this Act.

SEC. 103. STREAMLINING AND INTEGRATION OF ADULT TRAINING PROGRAMS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—A State that receives an implementation grant to develop an integrated workforce development system—

(A) shall include in such system the components of the program and activities carried out on the date of enactment of this Act under the provisions described in subsection (b)(1); and

(B) may include any other Federal or State workforce development program identified by the Governor under paragraph (2).

(2) ADDITIONAL PROGRAMS.—Any other Federal or State workforce development program identified by the Governor pursuant to section 203(b), subject to a two-thirds vote of the National Board, may be included in the integrated system of a State described in paragraph (1).

(b) REPEALS OF JOB TRAINING PROGRAMS.—

(1) IN GENERAL.—The following provisions are repealed:

(A) Part A of title II of the Job Training Partnership Act (29 U.S.C. 1601 et seq.).

(B) Title III of such Act (29 U.S.C. 1651 et seq.).

(C) Part C of title IV of such Act (29 U.S.C. 1721).

(D) The Wagner-Peyser Act (29 U.S.C. 40 et seq.).

(E) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)(1) and(2)).

(F) The Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note).

(G) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(2) EFFECTIVE DATE.—The repeals made by paragraph (1) shall take effect on September 30, 1999.

(3) TECHNICAL AND CONFORMING AMENDMENTS.—The National Board shall include in the draft joint resolution submitted under section 104(b), technical and conforming amendments regarding the provisions repealed under subsection (a). Such proposed amendments should be consistent with the purposes of this Act.

SEC. 104. PROCESS FOR ESTABLISHING 21ST CENTURY WORKFORCE DEVELOPMENT SYSTEM.

(a) ANNUAL RECOMMENDATIONS.—Not later than 180 days after the date of enactment of this Act, and each June 1 thereafter, the National Board shall make recommendations to the President and Congress for the elimination of Federal workforce development programs, or programs whose functions should be subsumed under other Federal programs.

(b) REPORT AND JOINT RESOLUNTION.—

(1) REPORT.—Not later than June 1, 1999, the National Board, based on such board's analysis of the experience of leading edge States and the progress made toward establishing an integrated, market-driven workforce development system, shall prepare and submit to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report containing the findings of such board, and recommendations for proposed reforms.

(2) JOINT RESOLUTION.—Not later than June 1, 1999, the National Board shall submit to the Congress a draft of a joint resolution containing provisions to develop a streamlined, integrated, market-driven workforce development system, from the programs described in section 103(b) and any other Federal workforce development program determined by the National Board as appropriate to be included that is consistent with this Act, pursuant to section 2(b). The joint resolution shall include recommendations for standard outcome measures as described in section 204(a)(2) and shall describe how the new system will maintain services to hard-to-serve populations.

SEC. 105. CENTRALIZED WAIVERS.

(a) EXPEDITED PROCESS.—Not later than 180 days after the date of enactment of this Act, the President shall establish an expedited process to consider and act on waiver requests submitted by the States under this section.

(b) STATES NOT RECEIVING IMPLEMENTATION GRANTS.—

(1) IN GENERAL.—Any State may apply, in accordance with this section, for a waiver of statutory or regulatory requirements under one or more of the programs described in section 103(b)(1), for a period of 2 years to facilitate the provision of assistance for workforce development.

(2) WAIVER AUTHORITY.—A waiver may be granted under this subsection only if—

(A) the requirement sought to be waived impedes the ability of the State, or a local entity in the States, to carry out the State or local workforce development plan;

(B) the State has waived, or agrees to waive, similar requirements of State law; and

(C) in the case of a statewide waiver, the State—

(i) provides all State and local agencies and appropriate organizations in the State, including labor organizations, with notice and an opportunity to comment on the State's proposal to seek a waiver; and

(ii) submits the affected agency's comments with the waiver application.

(3) APPLICATION.—Each application submitted under this subsection shall—

(A) identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local agency intends to achieve;

(B) describe the action that the State has undertaken to remove State statutory or regulatory barriers identified in the application;

(C) describe the purpose of the waiver and the expected programmatic outcomes if the request is granted;

(D) describe the numbers and types of people to be affected by such waiver;

(E) describe a timetable for implementing the waiver;

(F) describe the process the State will use to monitor, on a biannual basis, the progress in implementing the waiver; and

(G) describe how the goals of the program or programs for which a waiver is granted will continue to be met.

(c) STATES RECEIVING IMPLEMENTATION GRANTS.—Subject to subsection (d), each State receiving an implementation grant under section 203(b) shall have the statutory or regulatory requirement, described in its grant application or State Blueprint of such State waived for the duration of the implementation grant.

(d) LIMITATIONS.—

(1) IN GENERAL.—A waiver shall not be granted under a workforce development program if such waiver would alter—

(A) the purposes or goals of such program;

(B) the allocation of funds under such program;

(C) any statutory or regulatory requirement under such program relating to public health or safety, civil rights, protections granted under title I and sections 503 and 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.), occupational safety and health, environmental protection, displacement of current employees, or fraud and abuse; or

(D) eligibility requirements under such program, except that a waiver may be granted with respect to an eligibility requirement if such waiver would provide for increased flexibility in developing common definitions for individuals eligible for such program.

(2) CIRCULARS AND RELATED REGULATIONS.—The following circulars promulgated by the Office of Management and Budget shall be subject to the waiver authority of this subsection:

(A) A–87, relating to cost principles for State and local governments.

(B) A–102, relating to grants and cooperative agreements with State and local governments.

(C) A–122, relating to nonprofit organizations.

(D) A–110, relating to administrative requirements for grants and cooperative agreements with nonprofit organizations and institutions of higher education.

(E) A–21, relating to cost principles for institutions of higher education.

(3) EFFECTIVE DATE.—A waiver granted under this section shall take effect on the date such waiver is granted.

(4) REVIEW OF APPLICATION.—Each application submitted by a State pursuant to subsection (b)(3) shall be reviewed by the Secretary or agency head who has jurisdiction over the workforce development program or programs to which such waiver request relates.

(5) APPROVAL OR DISAPPROVAL OF APPLICATION.—

(A) TIMING.—Each application submitted by a State in accordance with subsection (b)(3) shall be reviewed promptly upon receipt, and shall be approved or disapproved

not later than the end of the 60-day period beginning on the date such application is received.

(B) APPROVAL.—A waiver or waivers proposed in an application may be approved for the 2-year period beginning on the date such application is approved, if the State demonstrates in the application that such waiver or waivers will achieve coordination, expansion, and improvement in the quality of services under its workforce development system.

(C) DISAPPROVAL AND RESUBMISSION.—If an application is incomplete or unsatisfactory, the appropriate Federal official shall, before the end of the period referred to in subparagraph (A)—

(i) notify the State of the reasons for the failure to approve the application;

(ii) notify the State that the application may be resubmitted during the period referred to in clause (iii); and

(iii) permit the State to resubmit a corrected or amended application during the 60-day period beginning on the date of notification under this subparagraph.

(D) REVIEW OF RESUBMITTED APPLICATION.—Any application resubmitted under subparagraph (C) shall be approved or disapproved before the expiration of the 60-day period beginning on the date of the resubmission.

(6) REVOCATION OF WAIVER.—If, after the approval of an application under this subsection, the Secretary determines that the waiver or waivers do not achieve coordination, expansion, and improvement in the quality of services under the workforce development programs to which such waiver or waivers relate, the waiver or waivers may be revoked in whole or in part.

TITLE II—MARKET BUILDING ACTIVITIES

Subtitle A—Federal Level Activities

SEC. 201. PURPOSE.

The purpose of this title is to establish a framework at the Federal, state, and local levels for key stakeholders to work cooperatively to build the infrastructure, brokerage, and accountability systems needed to transform current Federally funded job training programs into a market-driven workforce development system.

SEC. 202. NATIONAL WORKFORCE DEVELOPMENT BOARD.

(a) FINDINGS.—The Congress finds that a national workforce development board is necessary to ensure—

(1) the establishment and continuous improvement of the national workforce development system;

(2) that integrated strategic planning takes place among the Federal agencies currently responsible for administering job training programs;

(3) incorporation of private sector expertise to the governance of the national workforce development system; and

(4) that unnecessary legislative and regulatory barriers to service integration are removed as a market-driven workforce development system is established.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—There is established the National Workforce Development Board (referred to in this Act as the ''National Board'').

(2) COMPOSITION.—The National Board shall be comprised of 16 members, of whom—

(A) one member shall be the Secretary of Labor;

(B) one member shall be the Secretary of Education;

(C) one member shall be the Secretary of Health and Human Services;

(D) one member shall be the Secretary of Commerce;

(E) three members shall be representatives of business (including representatives of small businesses and large employers);

(F) three members shall be representatives of organized labor;

(G) three members shall be State and local elected officials of whom two shall be Governors of a State and one shall be a local elected official; and

(H)(i) one member shall be selected from representatives of community-based organizations;

(ii) one member shall be selected from representatives of secondary schools or post-secondary educational institutions; and

(iii) one member shall be selected from representatives of nongovernmental organizations that have a history of successfully protecting the rights of individuals with disabilities or older persons.

(3) ADDITIONAL REQUIREMENTS.—The members described in subparagraphs (E) and (F) of paragraph (2) shall—

(A) in the aggregate, represent a broad cross-section of occupations and industries;

(B) to the extent feasible, be geographically representative of the United States, and reflect the racial, ethnic, and gender diversity of the United States; and

(C) shall include at least one member of the National Skill Standards Board established pursuant to section 503 the National Skill Standards Act of 1994.

(4) EXPERTISE.—The National Board and the staff shall have sufficient expertise to effectively carry out the duties and functions of the National Board.

(5) APPOINTMENT.—The members described in subparagraphs (E), (F), (G), and (H) of paragraph (2) shall be appointed by the President, by and with the advice and consent of the Senate.

(6) EX OFFICIO NONVOTING MEMBERS.—The Director of the Office of Management and Budget and the chairpersons and ranking minority members of the Committee on Labor and Human Resources of the Senate and the Committee on Economic and Educational Opportunities of the House of Representatives shall be ex officio, nonvoting members of the National Board.

(7) TERMS.—Each member of the National Board appointed under subparagraph (E), (F), (G), and (H) of paragraph (2) shall be appointed for a term of 4 years, except that of the initial members of the National Board appointed under such subparagraphs—

(A) four members shall be appointed for a term of 2 years;

(B) four members shall be appointed for a term of 3 years; and

(C) four members shall be appointed for a term of 4 years.

(8) VACANCIES.—Any vacancy on the National Board shall not affect the powers of the National Board, but shall be filled in the same manner as the original appointments.

(9) CHAIRPERSONS.—The President, by and with the advice and consent of the Senate, shall select one cochairperson of the National Board from among the members of the National Board appointed under paragraph (2)(E) and one cochairperson from among the members appointed pursuant to paragraph (2)(F).

(10) COMPENSATION AND EXPENSES.—

(A) COMPENSATION.—Each member of the National Board who is not a full-time employee or officer of the Federal Government shall serve without compensation. Each member of the National Board who is an officer or employee of the Federal Government shall serve without compensation in addition to that received for the services of such member as an officer or employee of the Federal Government.

(B) EXPENSES.—The members of the National Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the National Board.

(11) EXECUTIVE DIRECTOR AND STAFF.—

(A) EXECUTIVE DIRECTOR.—The cochairpersons of the National Board shall appoint an Executive Director who shall be compensated at a rate determined by the National Board, not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(B) STAFF.—The Executive Director may—

(i) appoint and compensate such additional staff as may be necessary to enable the National Board to perform its duties; and

(ii) fix the compensation of the staff without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classifications of positions and General Schedule pay rates, except that the rate of pay for the staff may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(12) AGENCY SUPPORT.—

(A) USE OF FACILITIES.—The National Board may use the research, equipment, services, and facilities of any agency or instrumentality of the United States with the consent of such agency or instrumentality.

(B) STAFF OF FEDERAL AGENCIES.—Upon the request of the National Board, the head of any Federal agency may detail to the National Board, on a reimbursable basis, any of the personnel of such Federal agency to assist the National Board in carrying out this Act. Such detail shall be without interruption or loss of civil service status or privilege.

(13) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The co-chairpersons of the National Board may procure temporary and intermittent services of experts and consultants under section 3109(b) of title 5, United States Code.

(c) DUTIES.—

(1) NATIONAL REPORT CARD.—

(A) IN GENERAL.—Not later than July 1, 1996, and each July 1 thereafter, the National Board shall prepare a report to be known as the Nation's Workforce Development Report Card (referred to in this Act as the ''National Report Card'').

(B) REQUIREMENTS.—The National Report Card shall assess the performance of the workforce development system of the United States, based on the earnings and employment gains and other nonemployment-related outcomes of individuals assisted by the programs comprising such system. The National Report Card shall evaluate all workforce development programs that receive Federal funding, and shall—

(i) assess the performance of each program;

(ii) assess performance based on the type of assistance provided, including the categories of services identified in section 204(b)(1)(C);

(iii) assess year-to-year changes in performance;

(iv) report on the extent to which hard-to-serve populations are receiving services and the related outcomes in relation to services received in the preceding three years;

(v) determine the annual Federal investment in workforce development in each State;

(vi) assess the lessons learned from the experience of leading-edge States, and States that waive certain program requirements to experiment with alternative workforce development strategies; and

(vii) assess the performance of the workforce development system in each State.

(2) CONGRESSIONAL TESTIMONY.—The co-chairpersons of the National Board shall, at least annually, provide testimony, during a joint hearing before the Committee on Labor and Human Resources of the Senate and the Committee on Economic and Educational Opportunities of the House of Representatives on the progress being made in—

(A) developing a more streamlined integrated and accountable public and private workforce development system in the United States; and

(B) carrying out the purposes described in section 2(b).

(3) REVIEW OF GRANT PROPOSALS.—The National Board shall review the development grant proposals pursuant section 203(a), the implementation grant proposals pursuant to section 203(b), and the matching grant proposals submitted pursuant to section 404, and make recommendations to the Secretary regarding such proposals.

(4) FINAL RECOMMENDATIONS.—Not later than June 1, 1999, the National Board shall submit recommendations in the form of a joint resolution to the President and Congress, pursuant to section 104(b).

(d) TERMINATION.—The National Board shall terminate on the date on which the National Board submits the joint resolution to President and Congress under section 104(b).

(e) NATIONAL FOR EMPLOYMENT POLICY.—

(1) IN GENERAL.—Part F of title IV of the Job Training Partnership Act (29 U.S.C. 1771 et seq.) is repealed.

(2) CONFORMING AMENDMENT.—Subsection (i) of section 106 of such Act (29 U.S.C. 1516(i)) is amended by striking ''(i) FUNCTIONS OF NCEP.—The National Commission for Employment Policy'' and inserting ''(i) FUNCTIONS OF NATIONAL WORKFORCE DEVELOPMENT BOARD.—The National Workforce Development Board established under section 202 of the Workforce Development Act''.

SEC. 203. MECHANISMS FOR BUILDING HIGH QUALITY INTEGRATED WORKFORCE DEVELOPMENT SYSTEMS.

(a) STATE DEVELOPMENT GRANTS.—

(1) PURPOSE.—The purpose of this subsection is to assist States and communities in strategic planning for integrated workforce development systems, including the development of a financial and management information system, a quality assurance system, and an integrated labor market information system.

(2) GRANTS TO STATES.—The Secretary may provide a development grant to a State in such amount as the Secretary, in consultation with the National Board, determines to be necessary to enable such State to develop a strategic plan, as described in paragraph (1), for the development of a comprehensive statewide integrated workforce development system.

(3) APPLICATION.—To be eligible to receive a development grant under this subsection, the Governor of a State, on behalf of the State, shall submit to the National Board and the Secretary an application, at such time, in such form, and containing such information as the Secretary may require.

(b) IMPLEMENTATION GRANTS TO LEADING-EDGE STATES.—

(1) PURPOSE.—The purpose of this subsection is to assist States in implementing statewide high-quality integrated workforce development systems that are accountable for achieving results.

(2) GRANTS TO STATES.—The Secretary, in consultation with the National Board, may provide an implementation grant to the State in such amount as the Secretary determines to be necessary to enable such State to implement an integrated workforce development system.

(3) PERIOD OF GRANT.—The provision of payments under a grant under this subsection shall not exceed 4 fiscal years, and shall be subject to the annual approval of the Secretary, in consultation with the National Board, and the availability of appropriations for the fiscal year involved.

(4) ALLOCATION REQUIREMENTS.—

(A) FIRST YEAR.—For the first fiscal year for which a State receives amounts from an implementation grant under this subsection, the State shall use not less than 75 percent of such amount to provide subgrants to local workforce development boards.

(B) SECOND YEAR.—For the second fiscal year for which a State receives amounts from an implementation grant under this subsection, the State shall use not less than 80 percent of such amount to provide subgrants to local workforce development boards.

(C) THIRD AND SUCCEEDING YEARS.—For the third, and each succeeding, fiscal year for which a State receives amounts from an implementation grant under this subsection, the State shall use not less than 85 percent of such amount to provide subgrants to local workforce development boards.

(5) LIMITATION.—A State shall be eligible to receive not more than 1 implementation grant under this subsection.

(6) APPLICATION.—To be eligible to receive an implementation grant under this subsection, the Governor of a State, on behalf of the State, shall submit to the National Board and the Secretary an application that shall include a copy of the State Blueprint and such other information as the Secretary, with the advice of the National Board, may require.

(c) DISSEMINATION OF INFORMATION ON BEST PRACTICES.—The Secretary, in consultation with the National Board, shall—

(1) collect and disseminate information that will assist State and local communities undertaking activities to streamline and reform their job training systems, including information on—

(A) the successful experiences of States and localities that—

(i) have received development or implementation grants;

(ii) have been granted waivers; or

(iii) are experimenting with training account systems established under title III of this Act; and

(B) research concerning the restructuring of workforce development systems; and

(2) facilitate the exchange of information and ideas among States and local entities that are building market-based workforce development systems.

(d) WORKFORCE DEVELOPMENT IMPACT REPORTS.—

(1) SUBMISSION.—For each bill or resolution concerning workforce development reported by any committee of the Senate or the House of Representatives, the National Board shall determine whether proposed Federal job training legislation complies with the data reporting, common definitions, and common funding cycles described in subsections (b) and (e) of section 204. A determination of compliance by the National Board under this subsection shall be included in the committee report accompanying such legislation, if timely submitted to such committee before such report is filed.

(2) PROCEDURE.—It shall not be in order in the Senate or the House of Representatives to consider any bill or resolution concerning workforce development that would not comply with the national workforce development system, as determined by the National Board under paragraph (1).

(3) WAIVER.—This subsection may be waived or suspended in the Senate or the House of Representatives only by the affirmative vote of three-fifths of the members of such House.

SEC. 204. QUALITY ASSURANCE SYSTEM.

(a) PURPOSE.—The purpose of this section is to improve the quality of all Federal programs directed at improving the knowledge, skills, and abilities of members of the workforce by strengthening accountability and encouraging the adoption of quality improvement processes at all levels of the workforce development system. In order to accomplish this purpose, this Act—

(1) directs the Secretaries of Labor, Education, and Health and Human Services to jointly, in consultation with the National Board—

(A) develop common terms and definitions as described in subsection (b);

(B) develop a placement accountability system as described in subsection (c); and

(C) adjust existing program performance standards as described in section 220(c); and

(2) directs the National Board to recommend a system of performance standards in its joint resolution submitted to Congress pursuant to section 104(b) that includes standard outcome measures relating to—

(A) employment;

(B) job retention;

(C) earnings; and

(D) nonemployment outcome measures, such as learning and competency gains.

(b) COMMON TERMS AND DEFINITIONS.—

(1) IN GENERAL.—Each workforce development program that receives Federal funds shall collect and report to the Governor and the State Council, if applicable, for each participant to whom assistance is provided, the following information:

(A) The quarterly employment status and earnings for 1 year after the participant no longer receives assistance under such program.

(B) Economic and demographic characteristics, including the participant's—

(i) social security number;

(ii) date of birth;

(iii) gender;

(iv) race or ethnicity;

(v) disability status;

(vi) education (highest formal grade level achieved at commencement of participation in program);

(vii) academic degrees and credentials at time of entry into the program; and

(viii) employment status at the time of entry into the program.

(C) Services received, the extent, when appropriate, and spending for such services, including—

(i) assessments;

(ii) testing;

(iii) counseling;

(iv) job development or job search assistance;

(v) occupational skills training;

(vi) work experience;

(vii) job readiness training;

(viii) basic skills education;

(ix) postsecondary academic education (nonoccupational);

(x) supportive and supplementary services; and

(xi) on-the-job training.

(D) Program outcomes, as specified by the State, such as—

(i) advancement to higher level education or training;

(ii) attainment of additional degrees or credentials (including skill standards as such standards become available);

(iii) assessment of learning gain in basic skills programs;

(iv) attainment and retention of subsidized or unsubsidized employment;

(v) quarterly earnings; and

(vi) reduction in welfare dependency.

(2) REPLACEMENT OF EXISTING REQUIREMENTS.—Program monitoring under this section shall supplant existing monitoring and

reporting requirements for program participants.

(3) ADOPTION OF COMMON TERMS AND DEFINITIONS.—

(A) REPORT.—Not later than 180 days after the date of enactment of this Act, each Federal department and agency with responsibility for a workforce development program shall report to the National Board on its progress in adopting the common terms and definitions for program participants, service activities, and outcomes by program operators and grant recipients.

(B) IMPLEMENTATION.—Not later than 1 year after the date of enactment of this Act, each workforce development program receiving Federal funds shall use the common terms and definitions.

(C) USE.—Upon adoption by the appropriate Federal agencies, the common definitions for terminology developed and reported pursuant to section 455 of the Job Training Partnership Act (29 U.S.C. 1735(b)) shall be utilized in interpreting and compiling the core data elements. Notwithstanding any other provision of Federal law, such common definitions shall be utilized in lieu of existing program definitions for similar data elements.

(4) RECOMMENDATIONS.—Not later than 180 days after the date all of the Members of the National Board are appointed, the National Board shall make recommendations to the Secretaries of Labor, Education, and Health and Human Services, and the heads of other agencies operating workforce development programs, on common definitions for other terms, including terms relating to—

(A) program status, including—

(i) applicant;

(ii) participant;

(iii) terminee; and

(iv) training-related placement;

(B) program eligibility, including—

(i) family income; and

(ii) economically disadvantaged individuals; and

(C) other terms considered appropriate by the National Board, such as common cost categories.

(5) AMENDMENTS.—If any of the proposed common definitions require amendment to existing laws, the National Board shall submit to Congress recommendations for legislative action not later than 9 months after the date all of the members of the National Board are appointed.

(c) PLACEMENT ACCOUNTABILITY.—

(1) IN GENERAL.—The purpose of this subsection is to establish a placement accountability system using a cost-effective data source with information on job placement, earnings, and job retention, to foster accountability by all federally funded workforce development programs.

(2) PERFORMANCE MONITORING.—Each workforce development program that receives Federal funds shall—

(A) engage in continuous performance self-monitoring by measuring, at a minimum, the quarterly employment status and earnings of each recipient of assistance under such program; and

(B) monitor each recipient of assistance for a period of not less than 1 year, beginning on the date on which the recipient no longer receives assistance under such program.

(3) INFORMATION MATCHING.—

(A) CORE DATA.—Each workforce development program that receives Federal funds shall provide the information described in subsection (b) regarding program participants to the State agency responsible for labor market information designated in title V.

(B) MATCHING.—The State agency responsible for labor market information designated in title V shall, in conjunction with the Bureau of Labor Statistics, match the information provided pursuant to subparagraph (A) with quarterly employment and earnings records.

(4) REIMBURSEMENT.—Requesting programs shall reimburse the State agency responsible for wage record data for the cost of matching such information. Notwithstanding any other provision of Federal law, requesting programs may use Federal funds for such reimbursement.

(5) CONFIDENTIALITY.—Requesting programs—

(A) shall protect the confidentiality of wage record data through the use of recognized security procedures; and

(B) may not retain such data for more than 10 years.

(6) SUBMISSION TO STATE COUNCIL.—The State agency responsible for labor market information shall submit the results of the matching to the State Council, in accordance with procedures and schedules specified by the National Board and the Secretary.

(7) RESPONSIBILITY OF GOVERNORS.—The Governor of each State shall ensure the submission of the matched data to the State Council, the National Board, the Secretary, and other Federal entities, as required by the National Board.

(d) DISSEMINATION OF QUALITY ASSURANCE.—The information obtained under subsection (c) shall be made available to—

(1) the State Council of the State in which the program is located;

(2) the local workforce development boards in the State in which the program is located; and

(3) consumers of labor market information to judge individual program performance in an easily accessible format.

(e) CONSISTENT FUNDING CYCLES.—

(1) IN GENERAL.—All federally funded workforce development training activities shall, to the extent practicable, be funded on a consistent funding cycle basis.

(2) RECOMMENDATIONS FOR FUNDING CYCLE.—Not later than 180 days after the date on which all of the members of the National Board are appointed, the National Board shall make recommendations to Congress on the appropriate funding cycle to be used for all workforce development programs and activities.

Subtitle B—State Level Activities

SEC. 211. STATE WORKFORCE DEVELOPMENT COUNCILS.

(a) ESTABLISHMENT.—Each State desiring to participate in the development of an integrated and accountable workforce development system under the procedures specified in section 203(b) shall establish a State Workforce Development Council (referred to in this Act as a ''State Council'') or have located within such State an existing entity that is similar to a State Council and that includes members who are representatives of employers and workers.

(b) PURPOSE.—Each State Council shall serve as the principal advisory board for the Governor of such State for all programs included in the integrated workforce development system of such State.

(c) FUNCTIONS.—Each State Council shall assume the functions and responsibilities of councils and commissions required under Federal law that are part of the integrated workforce development system of such State.

SEC. 212. MEMBERSHIP.

(a) IN GENERAL.—

(1) REPRESENTATIVES OF BUSINESS AND INDUSTRY AND ORGANIZED LABOR.—Each State Council shall be comprised of individuals who are appointed by the Governor for a term of not less than 2 years from among—

(A) representatives of business and industry, who shall constitute not less than 33 percent of the membership of the State Council, including individuals who are members of local workforce development boards;

(B) representatives of organized labor who shall constitute not less than 25 percent of the membership of the State Council and shall be selected from among individuals nominated by recognized State labor federations; and

(C) representatives of secondary and post-secondary academic or vocational education institutions.

(2) ADDITIONAL MEMBERS.—Each State Council may include one or more qualified members who are appointed by the Governor from among representatives of the following:

(A) Community-based organizations.

(B) Nongovernmental organizations that have a history of successfully protecting the rights of individuals with disabilities or older persons.

(C) Units of general local government or consortia of such units.

(D) State officials responsible for administering programs described in sections 103 and 104 and included in the integrated system.

(E) The State legislature.

(F) Any local program that receives Federal funding from any program included in the integrated workforce development system of the State.

(b) EX OFFICIO.—

(1) NONVOTING MEMBERS.—The Governor may appoint ex officio additional nonvoting members to the State Council.

(2) EXPERTISE.—The Governor of the State shall ensure that the State Council and the staff of the State Council have sufficient expertise to effectively carry out the duties and functions of the State Council described under the laws relating to the applicable program.

SEC. 213. CHAIRPERSON.

The Governor of the State shall appoint a chairperson of the State Council who shall be a representative of the business community.

SEC. 214. DUTIES AND RESPONSIBILITIES.

(a) STATE WORKFORCE DEVELOPMENT POLICY BLUEPRINT.—The State Council shall assist the Governor to prepare and submit to the National Board a biennial report to be known as the State Workforce Development Policy Blueprint (referred to in this Act as the ''State Blueprint''). The State Blueprint shall—

(1) serve as a strategic plan for integrating federally funded workforce development programs included in an integrated system of the State, established pursuant to section 203(b), with State-funded job training, employment, employment-related education, and economic development activities;

(2) summarize and analyze information about training needs of critical industries in the State contained in the local workforce development policy blueprints developed by the workforce development boards;

(3) establish State goals for the integrated workforce development system and a common core set of performance measures and standards for programs included in the system, to be used in lieu of existing performance measures and standards for each of the included programs;

(4) analyze how the businesses and labor organizations of the State are—

(A) progressing in the restructuring of the work place to provide continuous learning;

(B) improving the skills and abilities of front-line workers of such businesses; and

(C) participating in State and local efforts to transform federally funded education and job training programs into a coherent and accountable workforce development system;

(5) utilize information available from the State Report Card and other sources to analyze the relative effectiveness of individual workforce development programs within the State and of the State's workforce development system as a whole;

(6) evaluate the progress being made within the State in streamlining, consolidating, and reforming the workforce development system of the State in accordance with the purposes contained in section 2(b) and the framework for State implementation contained in the implementation grant proposal of the State;

(7) describe how service to special hard-to-serve populations is to be maintained;

(8) identify how any funds that a State may be receiving under section 203(b) are to be utilized in conjunction with existing resources to continuously improve the effectiveness of the workforce development system of the State;

(9) describe the method to be used to allocate funds received under section 203(b) in a fair and equitable manner among unified service delivery areas;

(10) specify the additional elements, if any, to be included in operating agreements between local workforce development boards and one-stop career centers;

(11) specify additional criteria, if any, for selection of one-stop career centers;

(12) specify the nonemployment-related outcome measures that will be used for the workforce development system;

(13) specify the nature and scope of the budget authority for local workforce development boards in the State; and

(14) supplant federally required planning reports for programs under the integrated workforce development system of the State.

(b) STATE WORKFORCE DEVELOPMENT REPORT CARD.—The State Council shall assist the Governor of the State to issue an annual report to be known as the State Workforce Development Report Card (referred to in this Act as the ''State Report Card''). The State Report Card shall describe the performance of all workforce development programs operating in the State that receive Federal funding and any additional State-funded programs that the Governor may choose to include. The State Report Card shall—

(1) include an integrated budget that documents the annual spending, number of clients served, and types of services provided for workforce development programs for the State as a whole and for each unified service delivery area within the State;

(2) assess the level of services to hard-to-serve populations in relation to the number served and outcomes for those populations during the preceding 3 years;

(3) utilize information available from the quality assurance system established under section 204 to assess—

(A) employment and earnings experiences of individuals who have received assistance from each workforce development program operated in the State; and

(B) relative employment and earnings experiences of participants receiving services from each one-stop career center in the State;

(4) include an analysis of other nonemployment-related results for each workforce development program operating within the State; and

(5) include a report of annual employment trends and earnings (by industry and occupation) in the State and each unified service delivery area, to assist State and local policymakers, training providers, and users of the system to link the training provided to the skill and labor force needs of local employers.

(c) WORKFORCE DEVELOPMENT BOARD CERTIFICATION AND EFFECTIVENESS CRITERIA.—Each State Council shall—

(1) assist the Governor to certify each local workforce development board; and

(2) make recommendations to the Governor for criteria that will be used to judge the effectiveness of each of the workforce development boards of the State.

SEC. 215. DEVELOPMENT OF QUALITY ASSURANCE SYSTEMS AND CONSUMER REPORTS.

(a) IN GENERAL.—The State Council shall develop a quality assurance system to complement and expand upon the quality assurance system established in section 204 in order to provide customers of job training services with consumer reports on the supply, demand, price, and quality of job training services in each unified service delivery area in the State.

(b) SELECTION OF TOOLS AND MEASURES.—Each State shall select the tools and measures that are appropriate to the needs of such State, including—

(1) collecting and organizing service provider performance data in accordance with information generated from the State Report Card under section 214(b), the financial and management information system designed pursuant to section 218, and the labor market information system of the State described in section 501; and

(2) conducting surveys as appropriate to ascertain customer satisfaction.

(c) COLLECTION AND DISSEMINATION.—The State Council shall, in conjunction with the local workforce development boards, establish mechanisms for collecting and disseminating the quality assurance information on a regular basis to—

(1) individuals seeking employment;

(2) employers;

(3) policymakers at the Federal, State, and local levels; and

(4) training and education providers.

(d) ASSURANCES.—Each public and private education, training, and career development service provider receiving Federal funds under a program in an integrated system of the State pursuant to section 203(b) shall collect and provide the quality assurance information required under this section.

SEC. 216. ADMINISTRATION.

(a) AUTHORITIES.—Each State Council shall be independent of other State workforce development agencies and have the authority to—

(1) employ staff; and

(2) receive and disburse funds.

(b) SPECIAL PROJECTS.—Each State Council may fund and operate special pilot or demonstration projects for purposes of research or continuous improvement of system performance.

(c) LIMITATION ON USE OF FUNDS.—Not more than 5 percent of the funds received by the State from an implementation grant under section 203(b) shall be used for the administration of the State Council.

SEC. 217. ESTABLISHMENT OF UNIFIED SERVICE DELIVERY AREAS.

(a) RECOMMENDATIONS.—Each State Council shall make recommendations to the Governor of such State for the establishment of unified service delivery areas that may be used as intrastate geographic boundaries, to the extent practicable, for all workforce development programs in an integrated system of the State pursuant to section 203(b).

(b) ESTABLISHMENT.—Each State receiving an implementation grant under section 203(b) shall, based upon the recommendations of the State Council, and in consultation and cooperation with local communities, establish unified service delivery areas throughout the State for the purpose of providing community-wide workforce development assistance in one-stop career centers under section 234.

(c) RESPONSIBILITIES.—In establishing unified service delivery areas, the Governor, in consultation with the State Council and local communities—

(1) shall take into consideration existing—

(A) labor market areas;

(B) units of general local government;

(C) service delivery areas established under section 101 of the Job Training Partnership Act (29 U.S.C. 1511); and

(D) the distance traveled by individuals to receive services;

(2) may merge existing service delivery areas; and

(3) may not approve a total number of unified service delivery areas that is greater than the total number of service delivery areas in existence in the State on the date of enactment of this Act.

SEC. 218. FINANCIAL AND MANAGEMENT INFORMATION SYSTEMS.

(a) IN GENERAL.—Each State shall use a portion of the funds it receives under section 203(a) to design a unified financial and management information system. Each State that receives an implementation grant under section 203(b) shall require that all programs designated in the integrated system use the unified financial and management information system.

(b) REQUIREMENTS.—Each unified financial and management information system shall—

(1) notwithstanding any other provision of Federal law, supplant federally required fiscal reporting and monitoring for each individual program included in the integrated system;

(2) be used by all agencies involved in workforce development activities, including one-stop career centers which shall have the capability to track the overall public investments within the State and unified service delivery areas, and to inform policymakers as to the results being achieved through that investment;

(3) contain a common structure of financial reporting requirements, fiscal systems, and monitoring for all workforce development expenditures included in the integrated system that shall utilize the common data elements and definitions included in subsection (b) of section 204; and

(4) support local efforts to establish unified service systems, including intake and eligibility determination for all financial aid sources.

SEC. 219. CAPACITY BUILDING GRANTS.

From funds made available to a State for implementation pursuant to section 203(b) or development pursuant to section 203(a), the State shall develop a strategy to enhance the capacity of the institutions, organizations, and staff involved in State and local workforce development activities by providing services such as—

(1) training for members of the local workforce development boards;

(2) training for front-line staff of any local education or training service provider or one-stop career center;

(3) technical assistance regarding managing systemic change;

(4) customer service training;

(5) organization of peer-to-peer network for training, technical assistance, and information sharing;

(6) organizing a best practices database covering the various workforce development system components; and

(7) training for State and local staff on the principles of quality management and decentralizing decisionmaking.

SEC. 220. PERFORMANCE STANDARDS FOR UNIFIED SERVICE DELIVERY AREAS.

(a) IN GENERAL.—The Governor of each State that implements an integrated workforce development system under section 203(b) may, in consultation with the State Council, the local workforce development boards in the State, and employees of any of the job training programs included in the integrated system or the employee organizations of such employees, make adjustments to existing performance standards for programs in such system in the unified service delivery area of the State.

(b) CRITERIA.—Criteria developed pursuant to subsection (a) may include such factors as—

(1) placement, retention, and earnings of participants in unsubsidized employment, including—

(A) earnings at 1, 2, and 4 quarters after termination from the program; and

(B) comparability of wages 1 year after termination from the program with wages prior to participation in the program;

(2) acquisition of skills pursuant to a skill standards and skill certification system endorsed by the National Skill Standards Board established pursuant to section 503 of the National Skill Standards Act of 1994;

(3) the satisfaction of participants and employers with services provided and employment outcomes; and

(4) the quality of services provided and the level of services provided to hard-to-serve populations, such as low-income individuals and older workers.

(c) ADJUSTMENTS.—Each Governor of a State that implements an integrated workforce development system under section 203(b) shall, within parameters established by the National Board, and after consultation with the workforce development boards in the State, prescribe adjustments to the performance criteria prescribed under subsections (a) and (b) for the unified service delivery areas based on—

(1) specific economic, geographic, and demographic factors in the State and in regions within the State; and

(2) the characteristics of the population to be served, including the demonstrated difficulties in serving special populations.

(d) USE OF CRITERIA.—The performance criteria developed pursuant to this section shall be utilized in lieu of similar criteria for programs receiving Federal funding included in the integrated system of the State, to the extent determined by the State Council subject to the approval of the National Board.

Subtitle C—Local Level Activities

SEC. 231. WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—In each State receiving an implementation grant under section 203(b), and subject to subsection (b) of this section, the local elected officials of each unified service delivery area shall establish a workforce development board to administer the workforce development assistance provided by all the programs in the integrated workforce development system in such area.

(b) EXCEPTION.—States with a single unified delivery area with contiguous borders shall not be subject to the requirement of subsection (a).

(c) MEMBERSHIP.—

(1) IN GENERAL.—Each workforce development board shall be comprised of—

(A) representatives of business and industry, who shall constitute a majority of the board and who shall be business leaders in the unified service delivery area;

(B)(i) representatives of State and local organized labor organizations, who shall be selected from among individuals nominated by recognized State labor federations; and

(ii) representatives of community-based organizations, who shall be selected from among those individuals nominated by officers of such organizations;

(C) representatives of educational institutions;

(D) community leaders, such as leaders of—

(i) economic development agencies;

(ii) human service agencies and institutions;

(iii) veterans organizations; and

(iv) entities providing job training;

(E) representatives of nongovernmental organizations that have a history of successfully protecting the rights of individuals with disabilities or older persons; and

(F) a local elected official, who shall be a nonvoting member.

(2) SPECIAL RULE.—The representatives described in paragraph (1)(B) shall comprise not less than 33 percent of the membership of the Board.

(d) NOMINATIONS.—

(1) BUSINESS AND INDUSTRY REPRESENTATIVES.—

(A) IN GENERAL.—The representatives of business and industry under paragraph (1) of subsection (c) shall be selected by local elected officials from among individuals nominated by general purpose business organizations after consultation with, and receiving recommendations from, other business organizations in the unified service delivery area.

(B) DEFINITION.—For purposes of this paragraph, the term ''general purpose business organization'' means an organization that admits to membership any for-profit business operating within the unified service delivery area.

(2) LABOR REPRESENTATIVES.—The representatives of organized labor under subsection (c)(1)(B)(i) shall be selected from among individuals recommended by recognized State and local labor federations.

(3) OTHER MEMBERS.—The members of the workforce development board described in subparagraphs (A), (D), and (E) of subsection (c)(1) shall be selected by chief local elected officials in accordance with subsection (e) from individuals recommended by interested organizations.

(4) EXPERTISE.—The State Council and Governor of each State shall ensure that the workforce development board and the staff of the State Council have sufficient expertise to effectively carry out the duties and functions of existing local boards described under the laws relating to the applicable program.

(e) APPOINTMENT PROCESS.—In the case of a unified service delivery area—

(1) in which there is one unit of general local government, the chief elected official of such unit shall determine the number of members to serve on the workforce development board and appoint the members to such board from the individuals nominated or recommended under subsection (d); and

(2) in which there are 2 or more units of general local government, the chief elected officials of such units shall determine the number of members to serve on the workforce development board and appoint the members to such board from the individuals nominated or recommended under subsection (d), in accordance with an agreement entered into by such units of general local government or, in the absence of such an agreement, by the Governor of the State in which the unified service delivery area is located.

(f) TERMS.—Each workforce development board shall establish, in its bylaws, terms to be served by its members, who may serve until the successors of such members are appointed.

(g) VACANCIES.—Any vacancy on a workforce development board shall be filled in the same manner as the original appointment was made.

(h) REMOVAL FOR CAUSE.—Any member of a workforce development board may be removed for cause in accordance with procedures established by the workforce development board.

(i) CHAIRPERSON.—Each workforce development board shall select a chairperson, by a majority vote of the members of the board, from among the members of the workforce development board who are from business or industry. The term of the chairperson shall be determined by the board.

(j) DUTIES.—Each workforce development board—

(1) shall—

(A) prepare a workforce development board policy blueprint in accordance with section 232;

(B) issue an annual unified service delivery area report card in accordance with section 233;

(C) review and comment on the local plans for all programs included in the integrated workforce development system of the State and operating within the unified service delivery area, prior to the submission of such plans to the appropriate State Council, or the relevant Federal agency, if no State approval is required;

(D) oversee the operations of the one-stop career center established in the unified service delivery area under section 234, including the responsibility to—

(i) designate one-stop career center operators within the unified service delivery area consistent with selection criteria specified in section 214(a)(11);

(ii) develop and approve the budgets and annual operating plans of the one-stop career centers;

(iii) establish annual performance standards, customer service quality criteria, and outcome measures for the one-stop career centers, consistent with measures developed pursuant to sections 220;

(iv) assess the results of programs and services;

(v) ensure that services and skills provided through the centers are of high quality and are relevant to labor market demands; and

(vi) determine priorities for client services from Federal funding sources in the system;

(E) develop a strategy to disseminate consumer reports produced under section 215 to workers, jobseekers, and employers, and other individuals in the unified service delivery area; and

(2) may apply to the Secretary for a matching grant pursuant to section 404 in the amount of 50 percent of the cost of establishing innovative models of workplace training and upgrading of incumbent workers.

(k) ADMINISTRATION.—

(1) IN GENERAL.—Each local workforce development board shall have the authority to receive and disburse funds made available for carrying out the provisions of this Act and shall employ its own staff, independent of local programs and service providers.

(2) FUNDING.—Each workforce development board shall receive a portion of its funding from the implementation grant of the State, with additional funds made available from participating programs.

(l) CONFLICT OF INTEREST.—No member of a workforce development board shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter that would provide direct financial benefit to such member.

SEC. 232. WORKFORCE DEVELOPMENT BOARD POLICY BLUEPRINT.

(a) IN GENERAL.—Each workforce development board shall prepare and submit to the

State Council a biennial report, to be known as the workforce development board policy blueprint, except that in States with a single unified service delivery area, the additional elements required in the regional blueprint shall be incorporated into the State Blueprint.

(b) REQUIREMENTS.—The workforce development board policy blueprint shall—

(1) include a list of the key industries and industry clusters of small- to mid-size firms that are most critical to the current and future economic competitiveness of unified service delivery area;

(2) identify the workforce development needs of the critical industries and industry clusters;

(3) summarize the capacity of local education and training providers to respond to the workforce development needs;

(4) indicate how the local workforce development programs intend to strategically deploy resources available from implementation grants and existing programs operating in the unified service delivery area to better meet the workforce development needs of critical industries and industry clusters in the unified service delivery area and enhance program performance;

(5) include a plan to develop one-stop career centers, as described in section 234, including an estimate of the costs in personnel and other resources to develop a network adequate to provide universal access to such centers in the local labor market;

(6) describe how services will be maintained to all groups served by the participating programs in accordance with their legislative intent, including hard-to-serve populations;

(7) identify actions for building the capacity of the workforce development system in the unified service delivery area; and

(8) report on the level and recent changes in earned income of workers in the local labor market, in relation to State and national levels, by occupation and industry.

(c) USE IN OTHER REPORTS.—The workforce development board policy blueprint may be utilized in lieu of local planning reports required by any other Federal law for any program included in the integrated workforce development system, subject to the approval of the State Council.

SEC. 233. REPORT CARD.

(a) IN GENERAL.—Each workforce development board shall annually prepare and submit to the State Council a unified service delivery area report card in accordance with this section. The report card shall describe the performance of all workforce development programs and service providers, including the one-stop career centers, operating in the area that is included in the integrated workforce development system. In States with a single unified service delivery area, the State Council shall prepare the report card.

(b) REQUIREMENTS.—The report card shall—

(1) report on the relationship between services provided and the local labor market needs as described in the workforce development board policy blueprint;

(2) using the quality assurance system information established pursuant to section 215, include an analysis of employment-related, and other outcomes achieved by the programs and service providers operating in the area;

(3) identity the performance of the one-stop career centers;

(4) detail the economic and demographic characteristics of individuals served compared to the characteristics of the general population of the unified service delivery area, and the jobseekers, workers, and businesses of such area; and

(5) assess the level of services to hard-to-serve populations in relation to the number served and the outcomes for those during the preceding 3 years.

SEC. 234. ONE-STOP CAREER CENTERS.

(a) ESTABLISHMENT.—Each workforce development board receiving funds under an implementation grant awarded under section 203(b) shall develop and implement a network of one-stop career centers in the unified service delivery area of the workforce development board. The one-stop career centers shall provide jobseekers, workers, and businesses universal access to a comprehensive array of quality employment, education, and training services.

(b) PROCEDURES.—Each workforce development board shall, in conjunction with local elected official or officials in the unified service delivery area, and consistent with criteria specified in section 214(a)(11), select a method for establishing one-stop career centers.

(c) ELIGIBLE ENTITIES.—Each entity within the unified service delivery area that performs the functions specified in subsections (e) and (f) for any of the programs in the integrated workforce development system shall be eligible to be selected as a one-stop career center.

(d) PERIOD OF SELECTION.—Each one-stop career center operator shall be designated for two-year periods. Every 2 years, one-stop career center designations shall be reevaluated by the workforce development board based on performance indicated in the unified service delivery area report card and other criteria established by the workforce development board and the State Council.

(e) BROKERAGE SERVICES TO INDIVIDUALS.—Each one-stop career center shall make available to the public, at no cost—

(1) outreach to make individuals aware of, and encourage the use of, services available from workforce development programs operating in the unified service delivery area;

(2) intake and orientation to the information and services available through the one-stop career center;

(3) preliminary assessments of the skill levels (including appropriate testing) and service needs of individuals, including—

(A) basic skills;

(B) occupational skills;

(C) prior work experience;

(D) employability;

(E) interests;

(F) aptitude; and

(G) supportive service needs;

(4) job search assistance, including resume and interview preparation and workshops;

(5) information relating to the supply, demand, price, and quality of job training services available in each unified service delivery area in the State pursuant to section 501(c);

(6) information relating to eligibility requirements and sources of financial assistance for entering the programs described in 501(c)(2)(C); and

(7) referral to appropriate job training, employment, and employment-related education or support services in the unified service delivery area.

(f) BROKERAGE SERVICES TO EMPLOYERS.—Each one-stop career center shall provide to each requesting employer—

(1) information relating to supply, demand, price, and quality of job training services available in each unified service delivery area in the State, consistent with the consumer reports described in section 215;

(2) customized screening and referral of individuals for employment;

(3) customized assessment of skills of the current workers of the employer;

(4) an analysis of the skill needs of the employer; and

(5) other specialized employment and training services.

(g) CONFLICTS.—Any entity that performs one-stop career center functions shall be prohibited from making an education and training referral to itself.

(h) FEES.—

(1) IN GENERAL.—Except as provided in paragraph (2), each one-stop career center may charge fees for the services described in subsection (f), subject to approval by the workforce development board.

(2) LIMITATION.—No fee may be charged for any service that an individual would be eligible to receive at no cost under a participating program.

(3) INCOME.—Income received by a one-stop career center from the fees collected shall be used by the workforce development board to expand or enhance one-stop career centers available within the unified service delivery area.

(i) CORE DATA ELEMENTS AND COMMON DEFINITIONS.—Each one-stop career center shall adopt the core data elements and common definitions as specified section 204(b), and updated by the National Board.

(j) OPERATING AGREEMENTS.—

(1) IN GENERAL.—Each one-stop career center operator shall enter into a written agreement with the workforce development board concerning the operation of the center.

(2) APPROVAL.—The agreement shall—

(A) be subject to the approval of—

(i) the local chief elected official or officials;

(ii) the State Council; and

(iii) the Governor of the State in which the center is located; and

(B) shall address—

(i) the services to be provided;

(ii) the role that local officials of the United States Employment Service will play in the operation of one stop career centers in the unified service delivery area;

(iii) the financial and nonfinancial contributions to be made to the centers from funds made available pursuant to section 203(b) and all participating workforce development programs;

(iv) methods of administration;

(v) procedures to be used to ensure compliance with statutory requirements of the programs in the integrated workforce development system; and

(vi) other elements, as required by the workforce development board or the State Council under section 214(a).

SEC. 235. CAPACITY BUILDING.

(a) IN GENERAL.—Each workforce development board shall identify actions to be taken for building the capacity of the workforce development system in such unified service delivery, except that in States with a single unified delivery area, the State Council shall be responsible for carrying out the activities under this section.

(b) FUNDING.—The State Council shall make funds available to each workforce development board for capacity building activities from funds made available under section 203(b) and any other funds within the integrated workforce development budget of the State. For the activities described in subsection (c), the workforce development board may also submit requests to the State Council to redirect a portion of training and technical assistance resources available from any of the workforce development programs included in the integrated system within the unified service development area of the workforce development board.

(c) TYPES OF ACTIVITIES.—Capacity building activities may include—

(1) training of workforce development board members;

(2) staff training;

(3) technical assistance regarding managing systemic change;
(4) customer service training;
(5) organization of peer-to-peer network for training, technical assistance, and information sharing;
(6) organizing a best practices database covering the various system activities; and
(7) training for local staff on the principles of quality management and decentralized decisionmaking.

TITLE III—ENHANCING INDIVIDUAL CHOICE THROUGH TRAINING ACCOUNTS

SEC. 301. PURPOSE.

It is the purpose of this title to promote the establishment of a market-driven system for the provision of services that will enhance the quality and range of choices available to individuals for obtaining appropriate education and training.

SEC. 302. ESTABLISHMENT.

(a) IN GENERAL.—Each State receiving an implementation grant pursuant to section 203(b) shall establish a training account system for the provision of education and training that meets the requirements of this title.
(b) DEFINITION.—For purposes of this title, the term ''education and training'' means the services described in clauses (v) and (ix) of section 204(b)(1)(C) and such other services as the Secretary, in consultation with the Secretary of Education, the Secretary of Health and Human Services, and the National Board, determines are appropriate.

SEC. 303. PARTICIPATION OF WORKFORCE DEVELOPMENT PROGRAMS.

(a) DISLOCATED WORKERS.—Notwithstanding the Job Training Partnership Act, each State that receives an implementation grant pursuant to section 203(b) shall use the funds made available under title III of the Job Training Partnership Act and the funds appropriated under section 3(a) to provide education and training under title III of such Act only through the training account system established pursuant to this title. Notwithstanding section 315 of such Act, not less than 60 percent of the funds available to the State under such title III shall be used to carry out the training account system.
(b) ADDITIONAL PROGRAMS.—Beginning 1 year or later after a State has commenced administration of the training account system described in subsection (a), the State may provide education and training through the training account system to adults eligible to participate in other workforce development programs if—
(1) the State—
(A) identifies the additional workforce development programs in the State blueprint developed pursuant to section 214(a) or in an amendment to such blueprint; and
(B) describes how such programs will be integrated into such system; and
(2) not less than two-thirds of the voting members of the National Workforce Development Board approves the inclusion of the programs identified pursuant to paragraph (1) into the training account system established in the State.

SEC. 304. ADMINISTRATION.

(a) APPLICATION TO ESTABLISH ACCOUNT.—
(1) IN GENERAL.—An individual who is eligible to receive education and training under a workforce development program participating in the training account system pursuant to this title may apply to establish a training account only at a one-stop career center established under section 234.
(2) DUTIES OF CAREER CENTERS.—The career center shall—
(A) assist such individual in completing the application;
(B) provide information relating to the operation of the training account system; and
(C) ensure that such individual is aware of consumer information available in the center relating to providers of education and training, local occupations in demand, and other appropriate labor market factors.
(b) DURATION; AMOUNT OF ACCOUNT.—
(1) DURATION.—Upon approval of an application submitted pursuant to subsection (a), an individual may be provided a training account for a maximum of 2 years within any 5-year period.
(2) AMOUNT OF ACCOUNT.—The total amount deposited into a training account for an individual for any fiscal year shall be equal to the greater of the maximum amount of a Pell grant established—
(1) pursuant to paragraphs (2)(A) and (3)(A) of section 401(b) of the Higher Education Act of 1965 for such year; or
(2) by an appropriation Act for such year.
(c) USE OF FUNDS.—An account established under subsection (b) may be used by an individual to pay for education and training provided by a service provider meeting the eligibility requirements described in section 305.
(d) ADMINISTRATIVE PROCEDURES.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with the Secretary of Education, and the Secretary of Health and Human Services shall issue regulations applicable to the administration of a training account under this title that, consistent with the other provisions of this title, specify—
(1) the application requirements relating to a training account;
(2) the method of payment to providers from a training account, including appropriate payment schedules and appropriate payment for education or training in which an individual enrolled but did not complete;
(3) the financial and management information systems to be used to administer the training accounts;
(4) the Federal, State, and local roles with respect to oversight of the training account system and enforcement of the requirements of this title;
(5) the manner in which the costs of administering the training account system will be determined and apportioned;
(6) the performance-based information to be submitted by eligible providers of education and training and procedures for verifying the accuracy of such information; and
(7) such other procedures or conditions the Secretary determines are necessary to ensure the effective implementation of the training account system.
(e) DESCRIPTION OF SYSTEM IN STATE BLUEPRINT.—The State blueprint developed pursuant to section 214(a) shall include a description of how the State will administer the training account system and will ensure compliance with the requirements of this title.

SEC. 305. ELIGIBILITY REQUIREMENTS FOR PROVIDERS OF EDUCATION AND TRAINING SERVICES.

(a) ELIGIBILITY REQUIREMENTS.—A provider of education and training services shall be eligible to receive funds from a training account under this title if such provider—
(1) is either—
(A) eligible to participate in programs under title IV of the Higher Education Act of 1965; or
(B) determined to be eligible under the procedures described in subsection (b); and
(2) uses the common definitions and performance-based information described in section 204(b).
(b) ALTERNATIVE ELIGIBILITY PROCEDURE.—
(1) IN GENERAL.—The Governor of each State receiving an implementation grant pursuant to section 203(b) shall establish an alternative eligibility procedure for providers of education and training services in such State that desire to receive funds from a training account under this title, but are not eligible to participate in programs under title IV of the Higher Education Act of 1965. Such procedure shall establish minimum acceptable levels of performance for such providers based on factors and guidelines developed by the Secretary, after consultation with the Secretary of Education. Such factors shall be comparable in rigor and scope to those provisions of part H of such title of such Act that are used to determine an institution of higher education's eligibility to participate in programs under such title as are appropriate to the type of provider seeking eligibility under this subsection and the nature of the education and training services to be provided.
(2) LIMITATION.—Notwithstanding paragraph (1), if the participation of an institution of higher education in any of the programs under title IV of the Higher Education Act of 1965 is terminated, such institution shall not be eligible to receive funds under this Act for a period of 2 years beginning on the date of such termination.
(c) ADMINISTRATION.—
(1) STATE AGENCY.—Upon the recommendation of the State Council, the Governor of each State receiving an implementation grant pursuant to section 203(b) shall designate a State agency or agencies to collect, verify, and disseminate the performance-based information submitted by eligible providers.
(2) APPLICATION.—A provider of education and training services that desires to be eligible to receive funds under this title shall submit to the State agency or agencies the information required under paragraph (1) at such time and in such form as such State agency or agencies may require.
(3) LIST OF ELIGIBLE PROVIDERS.—The State agency or agencies shall compile a list of eligible providers, accompanied by the performance-based information submitted, and disseminate such list and information to the one-stop career centers in the State.

SEC. 306. EVALUATION AND RECOMMENDATIONS.

The National Workforce Development Board shall evaluate the administration and effectiveness of the training account system in enhancing individual choice and promoting high-quality education and training and shall include the evaluation, accompanied by recommendations, in the National Report Card developed pursuant to section 202(c)(1) and the joint resolution to the President and the Congress pursuant to section 104(b).

SEC. 307. REPORT RELATING TO INCOME SUPPORT.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—
(1) many dislocated workers and economically disadvantaged adults are unable to enroll in long-term job training because such workers and adults lack income support after unemployment compensation is exhausted;
(2) evidence suggests that long-term job training is among the most effective adjustment service in assisting dislocated workers and economically disadvantaged adults to obtain employment and enhance wages; and
(3) there is a need to identify options relating to how income support may be provided to enable dislocated workers and economically disadvantaged adults to participate in long-term job training.
(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor shall submit to the Congress a report that—
(1) examines the need for income support to enable dislocated workers and economically disadvantaged adults to participate in long-term job training;

(2) identifies options relating to how income support can be provided to such workers and adults; and

(3) contains such recommendations as the Secretary of Labor determines are appropriate.

TITLE IV—PRIVATE-PUBLIC LINKAGES

SEC. 401. PURPOSE.

The purpose of this title is to begin to more explicitly link federally funded workforce development programs with training practices and systems utilized by workers and firms in the private sector.

SEC. 402. INCENTIVES TO ENCOURAGE WORKER TRAINING.

Not later than 180 days after the date of enactment of this Act, the National Board shall make recommendations to the appropriate committees of Congress and the President on what measures can be taken, including changes in the tax codes—

(1) to encourage employers and workers to invest in training and skills upgrading;

(2) to encourage employers to hire and train hard-to-serve individuals; and

(3) to provide income support to enable jobseekers and workers to participate in long-term training programs.

SEC. 403. LABOR DAY REPORT ON PRIVATE-PUBLIC TRAINING PRACTICES.

Beginning on September 1, 1996, and in each succeeding year thereafter, the National Board shall issue a report that—

(1) analyzes how businesses in the United States are—

(A) restructuring the workplace to provide continuous learning for the employees of such businesses;

(B) improving the skills and abilities of the front-line workers of such businesses; and

(C) integrating public workforce development programs into private sector training systems;

(2) highlights innovative approaches that other countries are taking to encourage firms to invest in training the front-line workers of such firms and to ensure that publicly funded workforce development programs in such countries are relevant to the training needs of workers and firms in the private sector;

(3) reports on the progress being made by the National Skills Standards Board established pursuant to section 503 of the National Skill Standards Act and the degree to which publicly funded education and training providers throughout the United States are incorporating industry-based skill standards developed by the Board into program offerings of such programs; and

(4) makes recommendations to Congress and the President on ways to improve linkages between federally funded industrial modernization programs and federally funded workforce development programs.

SEC. 404. MATCHING GRANTS TO ENCOURAGE INCUMBENT WORKER TRAINING.

(a) PURPOSE.—The purpose of this section is to establish a program to award competitive matching grants to assist local workforce development boards respond to the training needs of front-line workers in the communities in which such boards are located.

(b) APPLICATION.—Each local workforce development board seeking a grant under this section shall submit an application to the State Council of the State in which such board is located, at such time, in such manner, and containing such information as the Secretary may prescribe. Not later than 30 days after receiving an application, the State Council shall review and forward the application, with comments, to the National Board and the Secretary.

(c) SELECTION OF GRANTEES.—

(1) IN GENERAL.—The Secretary, with the advice of the National Board, shall award a grant under this section only if the Secretary determines, from the grant application, that the grant will be used to maintain or enhance the competitive position of local industries that are committed to making the investments necessary to develop the skills of their workers.

(2) CRITERIA.—In awarding grants under this section, the Secretary shall take into account—

(A) the policy priorities and training needs of local industries identified in the local workforce development policy blueprints;

(B) whether there is a demonstrated need for skill upgrading to maintain firm or industry competitiveness;

(C) whether the application contains proposals for training that will directly lead to increased earnings of front-line workers;

(D) whether the labor organizations representing such front-line workers support the grant proposal;

(E) initiatives by firms or firm partnerships to develop high performance work organizations;

(F) whether the grant proposal meets the training needs of small- and medium-sized firms;

(G) whether the grant proposal is focused on workers with substantial firm or industry tenure; and

(H) whether the proposed industry activities are integrated with private sector activities under the School-to-Work Opportunities Act of 1994.

(d) USE OF FUNDS.—Grants awarded under this section shall be used for skill enhancement and training activities that may include—

(1) basic skills;

(2) occupational skills;

(3) statistical process control training;

(4) total quality management techniques;

(5) team building and problem solving skills; and

(6) other training or activities that will result in the increased likelihood of job retention, higher wages, or increased firm competitiveness.

(e) FUNDING.—

(1) COST SHARE.—

(A) FEDERAL SHARE.—A grant awarded under this section shall be in an amount equal to 50 percent of the cost of carrying out the grant proposal.

(B) LOCAL SHARE.—As a condition to receiving Federal funds under this section, local businesses, industry associations, and worker organizations shall provide funding in an amount equal to 50 percent of the cost of carrying out the grant proposal.

(2) LIMITATIONS.—

(A) USE OF FUNDS.—Amounts awarded under this section shall not be used to pay the wages of workers during the training of such workers.

(B) ADDITIONAL FUNDING.—Each recipient of funds under this section shall certify that such funds shall supplement and not supplant other public or private funds otherwise spent on worker training.

TITLE V—INTEGRATED LABOR MARKET INFORMATION SYSTEM

SEC. 501. INTEGRATED LABOR MARKET INFORMATION.

(a) FINDINGS.—The Congress finds that accurate, timely, and relevant data for the Nation, States, and localities are required to achieve Federal domestic policy goals, such as—

(1) economic growth and productivity through—

(A) career planning and successful job training and job searching by youth and adults; and

(B) efficient hiring, effective worker training, and appropriate location and organization of work by employers;

(2) accountability, through planning and evaluation, in workforce development and job placement programs funded by the Federal Government or developed by other public or private entities;

(3) equity and efficiency in the allocation of Federal funds; and

(4) greater understanding of local labor market dynamics through the support of research.

(b) PURPOSE.—The purpose of this title is to provide for the development, maintenance, and continuous improvement of a nationwide integrated system for the collection, analysis, and dissemination of labor market information.

(c) SYSTEM.—

(1) DEVELOPMENT.—The Secretary, in cooperation with the National Board, the State Councils, where appropriate, and the Governors, shall oversee and ensure the development, maintenance, and continuous improvement of a nationwide integrated system of labor market information that will—

(A) promote comprehensive workforce development planning, evaluation, and service integration;

(B) meet and be responsive to the customer needs of jobseekers, employers, and public officials at all government levels who develop economic and social policy, allocate funds, plan and implement workforce development systems, are involved in career planning or exploration, and deliver integrated services;

(C) serve as the foundation for automated information delivery systems that provide easy access to labor market, occupational and career information; and

(D) meet the Federal domestic policy goals specified in section (a).

(2) INFORMATION TO BE INCLUDED.—The integrated system described in paragraph (1) shall include statistical data from survey and projection programs and data from administrative reporting systems which, taken together, shall enumerate, estimate, and project the supply of and demand for labor at national, State, and local levels in a timely manner, including data on—

(A) labor market demand, such as—

(i) profiles of occupations that describe job duties, education, and training requirements, skills, wages, benefits, working conditions, and the industrial distribution of occupations;

(ii) current and projected employment opportunities and trends, by industry and occupation, including growth projections by industry, and growth and replacement need projections by occupation;

(iii) job openings, job locations, hiring requirements, and application procedures;

(iv) profiles of industries and employers in the local labor market describing the nature of the work performed, employment skill and experience requirements, specific occupations, wages, hours, and benefits, and hiring patterns;

(v) industries, occupations, and geographic locations facing significant change or dislocation; and

(vi) information maintained in a longitudinal manner on the quarterly earnings, establishment, industry affiliation, and geographic location of employment for all individuals for whom such information is collected by the States;

(B) labor supply, such as—

(i) educational attainment, training, skills, skill levels, and occupations of the population;

(ii) demographic, socioeconomic characteristics, and current employment status of the

population, including self-employed, part-time, and seasonal workers;

(iii) jobseekers, including their education and training, skills, skill levels, employment experience, and employment goals;

(iv) the number of workers displaced by permanent layoffs and plant closings by industry, occupation, and geographic location; and

(v) current and projected training completers who have acquired specific occupational or work skills and competencies; and

(C) consumer information, which shall be current, comprehensive, localized, automated, and in a form useful for immediate employment, entry into training and education programs, and career exploration, including—

(i) job openings, locations, hiring requirements, application procedures, and profiles of employers in the local labor market describing the nature of the work performed, employment requirements, wages, benefits, and hiring patterns;

(ii) jobseekers, including their education and training, skills, skill levels, employment experience, and employment goals;

(iii) the labor market experiences, in terms of wages and annual earnings, by industry and occupation, of workers in local labor markets, by sex and racial or ethnic group, including information on hard-to-serve populations;

(iv) education courses, training programs, and job placement programs, including information derived from statistically based performance evaluations and their user satisfaction ratings; and

(v) eligibility for funding and other assistance in job training, job search, income support, supportive services, and other employment services.

(3) TECHNICAL STANDARDS.—The integrated labor market information system shall use common standards that will include—

(A) standard classification and coding systems for industries, occupations, skills, programs, and courses;

(B) nationally standardized definitions of terms consistent with subsections (b), (c), and (d) of section 204 and with paragraph (2);

(C) a common system for designating geographic areas consistent with the unified service delivery areas;

(D) data standards and quality control mechanisms; and

(E) common schedules for data collection and dissemination.

(4) AVAILABILITY OF INFORMATION.—Data generated by the labor market information system including information on quarterly employment and earnings, together with matched data on individuals who have participated in a federally supported job training activity, shall be made available to the National Board for use in the preparation of the National Report Card. Aggregate level information shall be made available to consumers in automated information delivery systems.

(5) DISSEMINATION, TECHNICAL ASSISTANCE, AND RESEARCH.—The Secretary, in cooperation with the National Board, the Governors, and State Councils, where appropriate, shall oversee the development, maintenance, and continuous improvement of—

(A) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States;

(B) programs of technical assistance and staff development for States and localities, including assistance in adopting and utilizing automated systems and improving the access, through electronic and other means, to labor market information; and

(C) programs of research and demonstration, on ways to improve the products and processes authorized by this section.

SEC. 502. RESPONSIBILITIES OF THE NATIONAL BOARD.

(a) IN GENERAL.—The National Board shall plan, review, and evaluate the Nation's integrated labor market information system.

(b) DUTIES.—The National Board shall—

(1) be responsible for providing policy guidance;

(2) evaluate the integrated labor market information system and ensure the cooperation of participating agencies; and

(3) recommend to the Secretary needed improvements in Federal, State, and local information systems to support the development of an integrated labor market information system.

SEC. 503. RESPONSIBILITIES OF THE SECRETARY.

(a) IN GENERAL.—The Secretary shall manage the investment in an integrated labor market information system by—

(1) reviewing all requirements for labor market information across all programs within the system;

(2) developing a comprehensive annual budget, including funds at the Federal level, funds allotted to States by formula, and funds supplied to the States by contracts with departmental entities;

(3) administering grants allotted to States by formula;

(4) negotiating and executing contracts with the States;

(5) coordinating the activities of Federal workforce development agencies responsible for collecting the statistics and program administrative data that comprise the integrated system and disseminating labor market information at the National, State, regional, and local levels; and

(6) ensuring that standards are designed to meet the requirements of chapter 35 of title 44, United States Code, and are coordinated and consistent with other appropriate Federal standards established by the Bureau of Labor Statistics and other statistical agencies.

(b) REQUIREMENTS.—In carrying out the duties of the Secretary under this section, the Secretary shall—

(1) in consultation with the States and the private sector, define a common core set of labor market information data elements as specified in section 501(c)(2) that will be consistently available across States in an integrated labor market information system; and

(2) ensure that data is sufficiently timely and locally detailed for use, including uses specified in subsections (b) and (c)(2) of section 501.

(c) ANNUAL PLAN.—

(1) IN GENERAL.—The Secretary shall annually prepare and submit to the National Board for review, a plan for improving the Nation's integrated labor market information system. The Secretary shall also submit the plan, together with the comments and recommendations of the National Board, to the President and Congress.

(2) CONTENTS.—The plan shall describe the budgetary needs of the labor market information system, and shall describe the activities of such Federal agencies with respect to data collection, analysis, and dissemination for each fiscal year succeeding the fiscal year in which the plan is developed. The plan shall—

(A) establish goals for system development and improvement based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) specify the common core set of data that shall be included in the integrated labor market information system;

(C) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds and identify the specific budget needs of the Federal and State workforce development agencies with respect to implementing and improving an integrated labor market information system and the activities of such agencies with respect to data compilation, analysis, and dissemination for each fiscal year in which the plan is developed;

(D) develop a budget for an integrated labor market information system that accounts for all funds in subparagraph (C) and any new funds made available pursuant to this Act, and describes the relative allotments to be made for—

(i) the operation of the cooperative statistical programs under section 501(c)(2);

(ii) ensuring that technical standards are met pursuant to section 501(c)(3); and

(iii) consumer information and analysis, matching data, dissemination, technical assistance, and research under paragraphs (2)(C), (4), and (5) of section 501(c);

(E) describe the existing system, information needs, and the development of new data programs, analytical techniques, definitions and standards, dissemination mechanisms, governance mechanisms, and funding processes to meet new needs;

(F) summarize the results of an annual review of the costs to the States of meeting contract requirements for data production, including a description of how the budget request for an integrated labor market information system will cover such costs;

(G) describe how the State Councils will be reimbursed for carrying out the duties for labor market information;

(H) recommend methods to simplify and integrate automated client intake and eligibility determination systems across workforce development programs to permit easy determination of eligibility for funding and other assistance in job training, job search, income support, supportive services, and other reemployment services; and

(I) provide for the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governor or State Council, where appropriate, pursuant to a process established by the National Board.

(d) ASSISTANCE FROM OTHER AGENCIES.—The Secretary may receive assistance from member and other Federal agencies (such as the Bureau of Labor Statistics and the Employment and Training Administration of the Department of Labor, the Administration on Children and Families of the Department of Health and Human Services, and the Office of Adult and Vocational Education and the National Center for Education Statistics of the Department of Education) to assist in the collection, analysis, and dissemination of labor market information, and in the provision of training and technical assistance to users of information, including States, employers, youth, and adults.

SEC. 504. RESPONSIBILITIES OF GOVERNORS.

(a) DESIGNATION OF STATE AGENCY.—The Governor of each State and the State Council, where appropriate, shall designate one State agency to be the agency responsible for—

(1) the management and oversight of a statewide comprehensive integrated labor market information system; and

(2) developing a State unified labor market information budget on an annual basis.

(b) REQUIREMENTS.—As a condition of receiving Federal financial assistance under this title, the Governor or State Council, where appropriate, shall—

(1) develop, maintain, and continuously improve a comprehensive integrated labor market information system, which shall—

(A) include the data specified in section 501(c)(2);

(B) be responsive to the needs of the State and the localities of such State for planning and evaluative data, including employment and economic analyses and projections, and program outcome data on employment and earnings for the quality assurance system under section 204; and

(C) meet Federal standards under chapter 35 of title 44, United States Code, and other appropriate Federal standards established by the Bureau;

(2) ensure the performance of contract and grant responsibilities for data compilation, analysis, and dissemination;

(3) conduct such other data collection, analysis, and dissemination activities as will ensure the availability of comprehensive State and local labor market information;

(4) coordinate the data collection, analysis, and dissemination activities of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, to ensure complementary and compatibility among data; and

(5) cooperate with the National Board and the Secretary by making available, as requested, data for the evaluation of programs covered by the labor market information and the quality assurance systems under section 204.

(c) NONINTERFERENCE WITH STATE FUNCTIONS.—Nothing in this Act shall limit the ability of the State agency designated under this section to conduct additional data collection, analysis, and dissemination activities with funds derived from sources other than this Act.

THE WORKFORCE DEVELOPMENT ACT—OVERVIEW

The federal government currently spends billions each year on a wide array of different job training programs. There is widespread consensus that these programs are not collectively doing a good enough job of preparing workers for high skill jobs in an increasingly competitive world economy.

This bill takes immediate action to streamline and reform current job training programs. In addition, over the next four years states will be encouraged to experiment with creative new approaches to transform federally-funded job training efforts from a collection of free standing bureaucratically-driven programs into an integrated and accountable market-driven workforce development system.

After examining lessons learned from the experimentation taking place in the states, Congress will act upon recommendations to create a new system to help workers to compete in the 21st century economy.

TITLE I STREAMLINING AND CONSOLIDATION

This title immediately repeals 15 duplicative or outmoded programs and encourages states to compete for grants to set up integrated workforce development system that will, over time, include one-stop career centers and voucher programs for a wide range of adult training programs.

This title establishes an expedited wavier authority process to allow states and communities to waive programmatic requirements that may impede the ability of those that are willing to embark on the challenge of building a more integrated workforce development system.

This title also establishes a clear timetable and process for taking action on the lessons learned from the experiments undertaken by the states. By June 1, 1999, a tripartite National Board must submit a joint resolution to the President and Congress containing recommendations for a new public/private workforce development system suitable for the needs of the 21st century. To ensure that Congress acts on these recommendations, twenty separate programs with more than $4 billion in funding will sunset September 30, 1999. The National Board will itself be sunsetted after if issues this joint resolution.

TITLE II MARKET BUILDING ACTIVITIES

This title establishes a framework at the federal, state, and local levels for key stakeholders to work cooperatively to build the information, accountability, and brokerage systems needed to transform currently federally funded job training programs into a market-driven workforce development system.

At the federal level, new streamlined accountability, labor market information and management systems will replace the myriad of existing federal monitoring and compliance systems currently utilized by separate categorical programs. All states will receive grants to develop these new systems which will, for the first time, give policy makers and individuals a clear sense of how well each program is doing in preparing and placing people in jobs. Each year the National Board will issue a National Report Card documenting the performance of the nation's workforce development system.

States will be given the opportunity to compete for multi-year implementation grants to experiment with new approaches to building a market-driven workforce development system. States that receive these grants will create a new tripartite State Workforce Development Council to replace the multiple existing boards created by separate federal job training programs. These Council's responsibilities will include developing a strategic plan that identifies ways to integrate existing job training, education and economic development programs to meet the needs of critical industries in the state; and developing a quality assurance system to provide consumer reports on the supply, demand, price and quality of job training services throughout the state.

At the local level, private sector led boards will be established to bring coherence to job training activities at the labor market level. These boards will identify the training needs of critical industries in their region, and develop strategies to redeploy public and private training resources to respond to these needs. These boards will also be responsible for establishing a network of one-stop career centers to provide local jobseekers, workers, and businesses universal access to a comprehensive array of quality employment services.

TITLE III ENHANCING INDIVIDUAL CHOICE

This title will promote the establishment of a market-driven workforce development system by establishing training accounts that make vouchers available to individuals to allow them to choose the education and training service most appropriate for their own career advancement.

States that receive implementation grants to establish market-driven workforce development systems will initially establish training accounts from which dislocated workers can receive vouchers. States will also have the option, over time, of converting additional training programs into a voucher system, subject to the approval of the National Board.

TITLE IV PRIVATE-PUBLIC LINKAGES

This title take steps to begin to explicitly link federally funded workforce development programs with training practices and systems utilized by workers and firms in the private sector.

These steps include: recommending changes in the tax codes to encourage employers and workers to invest in training and skills upgrading for both existing workers and hard-to-serve individuals; analyzing how businesses and labor in the United States are restructuring the workplace to provide continuous learning for their employees; overseeing the degree to which publicly funded education and training providers throughout the United States are incorporating industry-based skill standards into their program offerings; and making matching grants available on a competitive basis to encourage firms to develop innovative approaches to upgrade the skills of their frontline workers.

TITLE V LABOR MARKET INFORMATION

This title establishes a comprehensive labor market information system to provide accurate, timely data to improve the functioning of local labor markets. These new information systems will allow job seekers, workers and firms to determine where the growth industries are in their communities, what skills jobs in these industries require, and which local training providers are successfully meeting the training needs of these industries.

FUNDING

This bill authorizes funding of $250 million in fiscal year 1996—$160 million for the market building activities identified in Title II and the matching grants for incumbent worker training in Title IV; and the remaining $90 million for the development of the integrated labor market information system described in Title V. The funds are not new spending, but are cost savings realized from streamlining activities undertaken in Title I.

By Mr. HATCH:

S. 181. A bill to amend the Internal Revenue Code, of 1986 to provide tax incentives to encourage small investors, and for other purposes; to the Committee on Finance.

S. 182. A bill to amend the Internal Revenue Code of 1986 to encourage investment in the United States by reforming the taxation of capital gains, and for other purposes; to the Committee on Finance.

CAPITAL GAINS TAX LEGISLATION

Mr. HATCH. Mr. President, I rise today to introduce two pieces of capital gains tax legislation that will significantly change and improve America's capital formation, tax fairness, and saving rate. These bills are alternative solutions to reform a tax code that discourages investment and unfairly taxes investors on gains caused solely by inflation. Enactment of either of these bills would strengthen this Nation's precarious economic condition by stimulating economic growth and creating new jobs.

These bills are the Small Investors Tax Relief Act of 1995 and the Capital Formation and Jobs Creation Act of 1995.

Mr. President, the first bill, the Small Investors Tax Relief Act of 1995 [SITRA], features three simple provisions that solve several problems that face America's small investors. First, it gives every individual an annual exemption from capital gains of $10,000

per year. This amount is doubled on a joint return and the thresholds are indexed for inflation. This provision will encourage lower- and middle-income taxpayers to save and invest in stocks, real estate, or a new business. It will also unlock billions of dollars of unrealized capital gains in this country and put it to work creating new jobs.

Second, SITRA provides an annual exemption from tax for the first $1,000 of interest and dividends earned by individuals each year. The exemption threshold is $2,000 for joint returns and is also indexed for inflation. This provision will provide a tremendous incentive for taxpayers to invest, rather than spend, their dollars. Our current tax law actually discourages savings by taxing every cent of earnings from interest and dividends. The result is a miserably low saving rate for the United States. All of our major trading partners enjoy a higher saving rate than does than the United States. Yet, our long-term prosperity demands a higher rate of savings, according to practically every economist. This bill will go a long way toward providing the encouragement that is now lacking for taxpayers to save money.

Finally, SITRA would provide for indexing the bases of most capital assets to eventually eliminate the unfair taxation of gains caused solely by inflation. There is nothing fair about having to pay tax on inflationary gains. The tax on inflationary capital gains is not a tax on income or even on the increase in the real value of the asset. It is purely a tax on capital very much like the property tax, but only assessed when the property is sold.

Mr. President, I am also introducing today the Capital Formation and Jobs Creation Act of 1995. This bill is identical to the capital gains tax bill included in H.R. 9, which is part of the Contract With America, introduced last week by Congressman BILL ARCHER. I commend Congressman ARCHER, the new chairman of the Ways and Means Committee, for his expertise and many years of leadership in the area of capital gains taxation and I look forward to working with him on this issue.

This bill is also very simple. First, it would provide a deduction of 50 percent of net capital gains realized. Thus, only half of a taxpayer's capital gains would be subject to taxation. Second, it would also index the bases of capital assets to ensure that inflationary gains are eliminated. Finally, it would allow a capital loss deduction for losses suffered on a sale or exchange of a taxpayer's principal residence.

Mr. President, the debate about whether to cut the tax on capital gains has been very loud, long, and partisan. Our colleagues have heard much from both sides of the issue for many years. For the first time in several years, however, there is a realistic possibility that Congress will pass legislation this year to lower the tax on capital gains.

The two bills I am introducing today offer different approaches to increasing economic growth, creating jobs, and enhancing fairness to taxpayers. I urge my colleagues to take a look at these bills as we consider how to best improve our Tax Code this year. I will have more to say on the need for capital gains tax reductions and the different approaches of these two bills in the days to come. My main purpose in introducing these bills today is to get these ideas before my colleagues and before the Nation. I ask unanimous consent that the text of the Small Investors Tax Relief Act of 1995 and the Capital Formation and Jobs Creation Act of 1995 be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Small Investors Tax Relief Act of 1995''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

''SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

''(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include the sum of the amounts received during the taxable year by an individual as—

''(1) dividends from domestic corporations, or

''(2) interest.

''(b) LIMITATIONS.—

''(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $1,000 ($2,000 in the case of a joint return).

''(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a)(1) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

''(3) INDEXING FOR INFLATION.—In the case of any taxable year beginning after 1995—

''(A) the $1,000 amount under paragraph (1) shall be increased by an amount equal to—

''(i) $1,000, multiplied by

''(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by substituting '1994' for '1992', and

''(B) the $2,000 amount under paragraph (1) shall be increased to an amount equal to twice the amount to which the $1,000 amount is increased to under subparagraph (a).

If the dollar amount determined after the increase under subparagraph (A) is not a multiple of $100, such dollar amount shall be rounded to the next lowest multiple of $100.

''(c) SPECIAL RULES.—For purposes of this section—

''(1) DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—Subsection (a) shall apply with respect to distributions by—

''(A) regulated investment companies to the extent provided in section 854(c), and

''(B) real estate investment trusts to the extent provided in section 857(c).

''(2) DISTRIBUTIONS BY A TRUST.—For purposes of subsection (a), the amount of dividends and interest properly allocable to a beneficiary under section 652 or 662 shall be deemed to have been received by the beneficiary ratably on the same date that the dividends and interest were received by the estate or trust.

''(3) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

''(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

''(B) in determining the tax imposed for the taxable year pursuant to section 877(b).''

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

''Sec. 116. Partial exclusion of dividends and interest received by individuals.''

(2) Paragraph (2) of section 265(a) is amended by inserting before the period at the end thereof the following: '', or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116''.

(3) Subsection (c) of section 584 is amended by adding at the end the following new sentence:

''The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant.''

(4) Subsection (a) of section 643 is amended by inserting after paragraph (6) the following new paragraph:

''(7) DIVIDENDS OR INTEREST.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116.''

(5) Section 854 is amended by adding at the end the following new subsection:

''(c) TREATMENT UNDER SECTION 116.—

''(1) IN GENERAL.—For purposes of section 116, in the case of any dividend (other than a dividend described in subsection (a)) received from a regulated investment company which meets the requirements of section 852 for the taxable year in which it paid the dividend—

''(A) the entire amount of such dividend shall be treated as a dividend if the aggregate dividends and interest received by such company during the taxable year equal or exceed 75 percent of its gross income, or

''(B) if subparagraph (A) does not apply, a portion of such dividend shall be treated as a dividend (and a portion of such dividend shall be treated as interest) based on the portion of the company's gross income which consists of aggregate dividends or aggregate interest, as the case may be.

For purposes of the preceding sentence, gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year as does not exceed aggregate interest received for the taxable year.

''(2) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'gross income' does not include gain from the sale or other disposition of stock or securities, and

''(B) the term 'aggregate dividends received' includes only dividends received from domestic corporations other than dividends described in section 116(b)(2).

In determining the amount of any dividend for purposes of subparagraph (B), the rules provided in section 116(c)(1) (relating to certain distributions) shall apply.''

(6) Subsection (c) of section 857 of such Code is amended to read as follows:

''(c) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

''(1) IN GENERAL.—For purposes of section 116 (relating to an exclusion for dividends and interest received by individuals) and section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

''(2) TREATMENT AS INTEREST.—In the case of a dividend (other than a capital gain dividend, as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part for the taxable year in which it paid the dividend—

''(A) such dividend shall be treated as interest if the aggregate interest received by the real estate investment trust for the taxable year equals or exceeds 75 percent of its gross income, or

''(B) if subparagraph (A) does not apply, the portion of such dividend which bears the same ratio to the amount of such dividend as the aggregate interest received bears to gross income shall be treated as interest.

''(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE INTEREST RECEIVED.—For purposes of paragraph (2)—

''(A) gross income does not include the net capital gain,

''(B) gross income and aggregate interest received shall each be reduced by so much of the deduction allowable by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed aggregate interest received by the taxable year, and

''(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of section 857(b).

''(4) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as interest for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to amounts received after December 31, 1994, in taxable years ending after such date.

SEC. 3. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

''SEC. 1022. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

''(a) GENERAL RULE.—

''(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Except as provided in paragraph (2), if an indexed asset which has been held for more than 1 year is sold or otherwise disposed of, then, for purposes of this title, the indexed basis of the asset shall be substituted for its adjusted basis.

''(2) EXCEPTION FOR DEPRECIATION, ETC.—The deduction for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

''(b) INDEXED ASSET.—

''(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

''(A) stock in a corporation,

''(B) tangible property (or any interest therein), which is a capital asset or property used in the trade or business (as defined in section 1231(b)), and

''(C) the principal residence of the taxpayer (within the meaning of section 1034).

''(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

''(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

''(B) OPTIONS.—Any option or other right to acquire an interest in property.

''(C) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (h)(1)).

''(D) CERTAIN PREFERRED STOCK.—Stock which is preferred as to dividends and does not participate in corporate growth to any significant extent.

''(E) STOCK IN CERTAIN CORPORATIONS.—Stock in—

''(i) an S corporation (within the meaning of section 1361),

''(ii) a personal holding company (as defined in section 542), and

''(iii) a foreign corporation.

''(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Clause (iii) of paragraph (2)(E) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, or any domestic regional exchange for which quotations are published on a regular basis other than—

''(A) stock of a foreign investment company (within the meaning of section 1246(b)), and

''(B) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

''(c) INDEXED BASIS.—For purposes of this section—

''(1) INDEXED BASIS.—The indexed basis for any asset is—

''(A) the adjusted basis of the asset, multiplied by

''(B) the applicable inflation ratio.

''(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

''(A) the CPI for the calendar year preceding the calendar year in which the disposition takes place, by

''(B) the CPI for the calendar year preceding the calendar year in which the asset was acquired by the taxpayer (or, in the case of an asset acquired before 1995, the CPI for 1993).

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest one-tenth of 1 percent.

''(3) CPI.—The CPI for any calendar year shall be determined under section 1(f)(4).

''(4) SECRETARY TO PUBLISH TABLES.—The Secretary shall publish tables specifying the applicable inflation ratio for each calendar year.

''(d) SPECIAL RULES.—For purposes of this section—

''(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

''(A) A substantial improvement to property.

''(B) In the case of stock of a corporation, a substantial contribution to capital.

''(C) Any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

''(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—

''(A) IN GENERAL.—The applicable inflation ratio shall be appropriately reduced for calendar months at any time during which the asset was not an indexed asset.

''(B) CERTAIN SHORT SALES.—For purposes of applying subparagraph (A), an asset shall be treated as not an indexed asset for any short sale period during which the taxpayer or the taxpayer's spouse sells short property substantially identical to the asset. For purposes of the preceding sentence, the short sale period begins on the day after the substantially identical property is sold and ends on the closing date for the sale.

''(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

''(4) SECTION CANNOT INCREASE ORDINARY LOSS.—To the extent that (but for this paragraph) this section would create or increase a net ordinary loss to which section 1231(a)(2) applies or an ordinary loss to which any other provision of this title applies, such provision shall not apply. The taxpayer shall be treated as having a long-term capital loss in an amount equal to the amount of the ordinary loss to which the preceding sentence applies.

''(5) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

''(6) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

''(e) CERTAIN CONDUIT ENTITIES.—

''(1) REGULATED INVESTMENT COMPANIES; REAL ESTATE INVESTMENT TRUSTS; COMMON TRUST FUNDS.—

''(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

''(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

''(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this

subparagraph) be 10 percent or less, such ratio for such month shall be zero.

''(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more frequently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

''(E) QUALIFIED INVESTMENT ENTITY.—For purposes of this paragraph, the term 'qualified investment entity' means—

''(i) a regulated investment company (within the meaning of section 851),

''(ii) a real estate investment trust (within the meaning of section 856), and

''(iii) a common trust fund (within the meaning of section 584).

''(2) PARTNERSHIPS.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

''(3) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation, the adjustment under subsection (a) at the corporate level shall be passed through to the shareholders.

''(f) DISPOSITIONS BETWEEN RELATED PERSONS.—

''(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

''(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

''(A) persons bearing a relationship set forth in section 267(b), and

''(B) persons treated as single employer under subsection (b) or (c) of section 414.

''(g) TRANSFERS TO INCREASE INDEXING ADJUSTMENT OR DEPRECIATION ALLOWANCE.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is—

''(1) to secure or increase an adjustment under subsection (a), or

''(2) to increase (by reason of an adjustment under subsection (a)) a deduction for depreciation, depletion, or amortization,

the Secretary may disallow part or all of such adjustment or increase.

''(h) DEFINITIONS.—For purposes of this section—

''(1) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased real property where—

''(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

''(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property.

''(2) STOCK INCLUDES INTEREST IN COMMON TRUST FUND.—The term 'stock in a corporation' includes any interest in a common trust fund (as defined in section 584(a)).

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(b) ADJUSTMENT TO APPLY FOR PURPOSES OF DETERMINING EARNINGS AND PROFITS.—Subsection (f) of section 312 (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is amended by adding at the end thereof the following new paragraph:

''(3) EFFECT ON EARNINGS AND PROFITS OF INDEXED BASIS.—

''For substitution of indexed basis for adjusted basis in the case of the disposition of certain assets after December 31, 1994, see section 1022(a)(1).''

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of such chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

''Sec. 1022. Indexing of certain assets for purposes of determining gain or loss.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 1994.

SEC. 4. REDUCTION IN CAPITAL GAINS TAX FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by adding at the end thereof the following new section:

''SEC. 1203. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the annual capital gains deduction (if any) determined under subsection (b).

''(b) ANNUAL CAPITAL GAINS DEDUCTION.—

''(1) IN GENERAL.—For purposes of subsection (a), the annual capital gains deduction determined under this subsection is the lesser of—

''(A) the net capital gain for the taxable year, or

''(B) $10,000 ($20,000 in the case of a joint return).

''(2) COORDINATION WITH EXCLUSION FOR GAIN FROM SMALL BUSINESS STOCK.—For purposes of paragraph (1)(A), net capital gain shall be determined without regard to any gain from the sale or exchange of qualified small business stock (as defined in section 1202(c)) held for more than 5 years.

''(3) CERTAIN INDIVIDUALS NOT ELIGIBLE.—This subsection shall not apply to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(4) ANNUAL DEDUCTION NOT AVAILABLE FOR SALES TO RELATED PERSONS.—The amount of the net capital gain taken into account under paragraph (1)(A) shall not exceed the amount of the net capital gain determined by not taking into account gains and losses from sales and exchanges to any related person (as defined in section 267(f)).

''(5) INDEXING FOR INFLATION.—In the case of any taxable year beginning after 1995—

''(A) the $10,000 amount under paragraph (1)(B) shall be increased by an amount equal to—

''(i) $10,000, multiplied by

''(ii) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by substituting '1994' for '1992', and

''(B) the $20,000 amount under paragraph (1)(B) shall be increased to an amount equal to twice the amount determined under subparagraph (A) for the taxable year.

If the dollar amount determined after the increase under this paragraph is not a multiple of $100, such dollar amount shall be rounded to the next lowest multiple of $100.

''(c) SECTION NOT TO APPLY TO ESTATES OR TRUSTS.—No deduction shall be allowed under this section to an estate or trust.

''(d) SPECIAL RULES.—

''(1) DEDUCTION AVAILABLE ONLY FOR SALES OR EXCHANGES AFTER DECEMBER 31, 1994.—The amount of the net capital gain taken into account under subsection (b)(1)(A) shall not exceed the amount of the net capital gain determined by only taking into account gains and losses from sales and exchanges after December 31, 1994.

''(2) SPECIAL RULE FOR PASS-THRU ENTITIES.—

''(A) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

''(B) PASS-THRU ENTITY DEFINED.—For purposes of subparagraph (A), the term 'pass-thru entity' means—

''(i) a regulated investment company,

''(ii) a real estate investment trust,

''(iii) an S corporation,

''(iv) a partnership,

''(v) an estate or trust, and

''(vi) a common trust fund.''

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 62 is amended by inserting after paragraph (15) the following new paragraph:

''(16) CAPITAL GAINS DEDUCTION.—The deduction allowed by section 1203.''

(2) Paragraph (2) of section 172(d) is amended by inserting ''and the deduction provided by section 1203'' after ''1202''.

(3)(A) Section 220 (relating to cross reference) is amended to read as follows:

''SEC. 220. CROSS REFERENCES.

''(1) For deduction for net capital gains in the case of a taxpayer other than a corporation, see section 1203.

''(2) For deductions in respect of a decedent, see section 691.''

(B) The table of sections for part VII of subchapter B of chapter 1 is amended by striking ''reference'' in the item relating to section 220 and inserting ''references''.

(4) Paragraph (4) of section 691(c) is amended by inserting ''1203,'' after ''1202,''.

(5) The second sentence of paragraph (2) of section 871(a) is amended by inserting ''or 1203'' after ''1202''.

(c) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

''Sec. 1203. Capital gains deduction for individuals.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges after December 31, 1994, in taxable years ending after such date.

S. 182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Capital Formation and Job Creation Act of 1995''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. 50 PERCENT CAPITAL GAINS DEDUCTION.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended to read as follows:

''PART I—TREATMENT OF CAPITAL GAINS

''Sec. 1201. Capital gains deduction.

''SEC. 1201. CAPITAL GAINS DEDUCTION.

''(a) GENERAL RULE.—If for any taxable year a taxpayer has a net capital gain, 50

percent of such gain shall be a deduction from gross income.

''(b) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.

''(c) COORDINATION WITH TREATMENT OF CAPITAL GAIN UNDER LIMITATION ON INVESTMENT INTEREST.—For purposes of this section, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii).

''(d) TRANSITIONAL RULE.—

''(1) IN GENERAL.—In the case of a taxable year which includes January 1, 1995—

''(A) the amount taken into account as the net capital gain under subsection (a) shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year on or after January 1, 1995, and

''(B) if the net capital gain for such year exceeds the amount taken into account under subsection (a), the rate of tax imposed by section 1 on such excess shall not exceed 28 percent.

''(2) SPECIAL RULES FOR PASS-THRU ENTITIES.—

''(A) IN GENERAL.—In applying paragraph (1) with respect to any pass-thru entity, the determination of when gains and losses are properly taken into account shall be made at the entity level.

''(B) PASS-THRU ENTITY DEFINED.—For purposes of subparagraph (A), the term 'pass-thru entity' means—

''(i) a regulated investment company,

''(ii) a real estate investment trust,

''(iii) an S corporation,

''(iv) a partnership,

''(v) an estate or trust, and

''(vi) a common trust fund.''

(b) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 is amended by inserting after paragraph (15) the following new paragraph:

''(16) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1201.''

(c) TECHNICAL AND CONFORMING CHANGES.—

(1) Section 13113 of the Revenue Reconciliation Act of 1993 (relating to 50-percent exclusion for gain from certain small business stock), and the amendments made by such section, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such section (and amendments) had never been enacted.

(2) Section 1 is amended by striking subsection (h).

(3) Paragraph (1) of section 170(e) is amended by striking ''the amount of gain'' in the material following subparagraph (B)(ii) and inserting ''50 percent of the amount of gain''.

(4)(A) Paragraph (2) of section 172(d) is amended to read as follows:

''(2) CAPITAL GAINS AND LOSSES.—

''(A) LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation, the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets.

''(B) DEDUCTION UNDER SECTION 1201.—The deduction under section 1201 shall not be allowed.''

(B) Subparagraph (B) of section 172(d)(4) is amended by striking ''paragraphs (1) and (3)'' and inserting ''paragraphs (1), (2)(B), and (3)''.

(5) Paragraph (4) of section 642(c) is amended to read as follows:

''(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 1 year, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1201 (relating to deduction for excess of capital gains over capital losses). In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income).''

(6) Paragraph (3) of section 643(a) is amended by adding at the end the following new sentence: ''The deduction under section 1201 (relating to deduction of excess of capital gains over capital losses) shall not be taken into account.''

(7) Paragraph (4) of section 691(c) is amended by striking ''sections 1(h), 1201, and 1211'' and inserting ''sections 1201 and 1211''.

(8) The second sentence of section 871(a)(2) is amended by inserting ''such gains and losses shall be determined without regard to section 1201 (relating to deduction for capital gains) and'' after ''except that''.

(9) Subsection (d) of section 1044 is amended by striking the last sentence.

(10)(A) Paragraph (2) of section 1211(b) is amended to read as follows:

''(2) the sum of—

''(A) the excess of the net short-term capital loss over the net long-term capital gain, and

''(B) one-half of the excess of the net long-term capital loss over the net short-term capital gain.''

(B) So much of paragraph (2) of section 1212(b) as precedes subparagraph (B) thereof is amended to read as follows:

''(2) SPECIAL RULES.—

''(A) ADJUSTMENTS.—

''(i) For purposes of determining the excess referred to in paragraph (1)(A), there shall be treated as short-term capital gain in the taxable year an amount equal to the lesser of—

''(I) the amount allowed for the taxable year under paragraph (1) or (2) of section 1211(b), or

''(II) the adjusted taxable income for such taxable year.

''(ii) For purposes of determining the excess referred to in paragraph (1)(B), there shall be treated as short-term capital gain in the taxable year an amount equal to the sum of—

''(I) the amount allowed for the taxable year under paragraph (1) or (2) of section 1211(b) or the adjusted taxable income for such taxable year, whichever is the least, plus

''(II) the excess of the amount described in subclause (I) over the net short-term capital loss (determined without regard to this subsection) for such year.''

(11) Paragraph (1) of section 1402(i) is amended by inserting '', and the deduction provided by section 1201 shall not apply'' before the period at the end thereof.

(12) Section 12 is amended by striking paragraph (4) and redesignating the following paragraphs accordingly.

(13) Paragraph (2) of section 527(b) is hereby repealed.

(14) Subparagraph (D) of section 593(b)(2) is amended by adding ''and'' at the end of clause (iii), by striking '', and'' at the end of clause (iv) and inserting a period, and by striking clause (v).

(15) Paragraph (2) of section 801(a) is hereby repealed.

(16) Subsection (c) of section 831 is amended by striking paragraph (1) and redesignating the following paragraphs accordingly.

(17)(A) Subparagraph (A) of section 852(b)(3) is amended by striking '', determined as provided in section 1201(a), on'' and inserting ''of 17.5 percent of''.

(B) Clause (iii) of section 852(b)(3)(D) is amended—

(i) by striking ''65 percent'' and inserting ''82.5 percent'', and

(ii) by striking ''section 1201(a)'' and inserting ''subparagraph (A)''.

(18) Clause (ii) of section 857(b)(3)(A) is amended by striking ''determined at the rate provided in section 1201(a) on'' and inserting ''of 17.5 percent of''.

(19) Paragraph (1) of section 882(a) is amended by striking ''section 11, 55, 59A, or 1201(a)'' and inserting ''section 11, 55, or 59A''.

(20) Subsection (b) of section 904 is amended by striking paragraphs (2)(B), (3)(B), (3)(D), and (3)(E).

(21) Subsection (b) of section 1374 is amended by striking paragraph (4).

(22) Subsection (b) of section 1381 is amended by striking ''or 1201''.

(23) Subsection (e) of section 1445 is amended—

(A) in paragraph (1) by striking ''35 percent (or, to the extent provided in regulations, 28 percent)'' and inserting ''17.5 percent (or, to the extent provided in regulations, 19.8 percent)'', and

(B) in paragraph (2) by striking ''35 percent'' and inserting ''17.5 percent''.

(24) Clause (i) of section 6425(c)(1)(A) is amended by striking ''or 1201(a)''.

(25) Clause (i) of section 6655(g)(1)(A) is amended by striking ''or 1201(a)''.

(26)(A) The second sentence of section 7518(g)(6)(A) is amended—

(i) by striking ''during a taxable year to which section 1(h) or 1201(a) applies'', and

(ii) by striking ''28 percent (34 percent'' and inserting ''19.8 percent (17.5 percent''.

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936 is amended—

(i) by striking ''during a taxable year to which section 1(h) or 1201(a) of such Code applies'', and

(ii) by striking ''28 percent (34 percent'' and inserting ''19.8 percent (17.5 percent''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after December 31, 1994.

(2) CONTRIBUTIONS.—The amendment made by subsection (c)(3) shall apply only to contributions on or after January 1, 1995.

(3) WITHHOLDING.—The amendment made by subsection (c)(23) shall apply only to amounts paid after the date of the enactment of this Act.

SEC. 3. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

''SEC. 1022. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

''(a) GENERAL RULE.—

''(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Except as otherwise provided in this subsection, if an indexed asset which has been held for more than 1 year is sold or otherwise disposed of, for purposes of this title the indexed basis of the asset shall be substituted for its adjusted basis.

''(2) EXCEPTION FOR DEPRECIATION, ETC.—The deduction for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

''(b) INDEXED ASSET.—

''(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

''(A) stock in a corporation, and

''(B) tangible property (or any interest therein),

which is a capital asset or property used in the trade or business (as defined in section 1231(b)).

''(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

''(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

''(B) OPTIONS.—Any option or other right to acquire an interest in property.

''(C) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (i)(3)).

''(D) CERTAIN PREFERRED STOCK.—Stock which is fixed and preferred as to dividends and does not participate in corporate growth to any significant extent.

''(E) STOCK IN FOREIGN CORPORATIONS.—Stock in a foreign corporation.

''(F) STOCK IN S CORPORATIONS.—Stock in an S corporation.

''(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Paragraph (2)(E) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, the national market system operated by the National Association of Securities Dealers, or any domestic regional exchange for which quotations are published on a regular basis other than—

''(A) stock of a foreign investment company (within the meaning of section 1246(b)),

''(B) stock in a passive foreign investment company (as defined in section 1296), and

''(C) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

''(4) TREATMENT OF AMERICAN DEPOSITORY RECEIPTS.—For purposes of this section, an American depository receipt for stock in a foreign corporation shall be treated as stock in such corporation.

''(c) INDEXED BASIS.—For purposes of this section—

''(1) GENERAL RULE.—The indexed basis for any asset is—

''(A) the adjusted basis of the asset, multiplied by

''(B) the applicable inflation ratio.

''(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

''(A) the gross domestic product deflator for the calendar quarter in which the disposition takes place, by

''(B) the gross domestic product deflator for the calendar quarter in which the asset was acquired by the taxpayer (or, if later, the calendar quarter ending on December 31, 1994).

The applicable inflation ratio shall never be less than 1. The applicable inflation ratio for any asset shall be rounded to the nearest 1/1000.

''(3) GROSS DOMESTIC PRODUCT DEFLATOR.—The gross domestic product deflator for any calendar quarter is the implicit price deflator for the gross domestic product for such quarter (as shown in the first revision thereof).

''(d) SHORT SALES.—

''(1) IN GENERAL.—In the case of a short sale of an indexed asset with a short sale period in excess of 1 year, for purposes of this title, the amount realized shall be an amount equal to the amount realized (determined without regard to this paragraph) multiplied by the applicable inflation ratio. In applying subsection (c)(2) for purposes of the preceding sentence, the date on which the property is sold short shall be treated as the date of acquisition and the closing date for the sale shall be treated as the date of disposition.

''(2) SHORT SALE OF SUBSTANTIALLY IDENTICAL PROPERTY.—If the taxpayer or the taxpayer's spouse sells short property substantially identical to an asset held by the taxpayer, the asset held by the taxpayer and the substantially identical property shall not be treated as indexed assets for the short sale period.

''(3) SHORT SALE PERIOD.—For purposes of this subsection, the short sale period begins on the day after property is sold and ends on the closing date for the sale.

''(e) TREATMENT OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

''(1) ADJUSTMENTS AT ENTITY LEVEL.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the adjustment under subsection (a) shall be allowed to any qualified investment entity (including for purposes of determining the earnings and profits of such entity).

''(B) EXCEPTION FOR QUALIFICATION PURPOSES.—This section shall not apply for purposes of sections 851(b) and 856(c).

''(2) ADJUSTMENTS TO INTERESTS HELD IN ENTITY.—

''(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

''(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

''(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 10 percent or less, such ratio for such month shall be zero.

''(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more frequently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

''(3) QUALIFIED INVESTMENT ENTITY.—For purposes of this subsection, the term 'qualified investment entity' means—

''(A) a regulated investment company (within the meaning of section 851), and

''(B) a real estate investment trust (within the meaning of section 856).

''(f) OTHER PASS-THRU ENTITIES.—

''(1) PARTNERSHIPS.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

''(2) S CORPORATIONS.—In the case of an S corporation, the adjustment made under subsection (a) at the corporate level shall be passed through to the shareholders.

''(3) COMMON TRUST FUNDS.—In the case of a common trust fund, the adjustment made under subsection (a) at the trust level shall be passed through to the participants.

''(g) DISPOSITIONS BETWEEN RELATED PERSONS.—

''(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

''(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

''(A) persons bearing a relationship set forth in section 267(b), and

''(B) persons treated as single employer under subsection (b) or (c) of section 414.

''(h) TRANSFERS TO INCREASE INDEXING ADJUSTMENT.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is to secure or increase an adjustment under subsection (a), the Secretary may disallow part or all of such adjustment or increase.

''(i) SPECIAL RULES.—For purposes of this section:

''(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

''(A) A substantial improvement to property.

''(B) In the case of stock of a corporation, a substantial contribution to capital.

''(C) Any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

''(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—The applicable inflation ratio shall be appropriately reduced for periods during which the asset was not an indexed asset.

''(3) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased property where—

''(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

''(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property.

''(4) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

''(5) SECTION CANNOT INCREASE ORDINARY LOSS.—To the extent that (but for this paragraph) this section would create or increase a net ordinary loss to which section 1231(a)(2) applies or an ordinary loss to which any other provision of this title applies, such provision shall not apply. The taxpayer shall be treated as having a long-term capital loss in an amount equal to the amount of the ordinary loss to which the preceding sentence applies.

''(6) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

''(7) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

''(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

''Sec. 1022. Indexing of certain assets for purposes of determining gain or loss.''

(c) ADJUSTMENT TO APPLY FOR PURPOSES OF DETERMINING EARNINGS AND PROFITS.—Subsection (f) of section 312 (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is amended by adding at the end thereof the following new paragraph:

''(3) EFFECT ON EARNINGS AND PROFITS OF INDEXED BASIS.—

"For substitution of indexed basis for adjusted basis in the case of the disposition of certain assets, see section 1022(a)(1)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 1994, in taxable years ending after such date.

SEC. 4. CAPITAL LOSS DEDUCTION ALLOWED WITH RESPECT TO SALE OR EXCHANGE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (c) of section 165 (relating to limitation on losses of individuals) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ''; and'', and by adding at the end the following new paragraph:

''(4) losses arising from the sale or exchange of the principal residence (within the meaning of section 1034) of the taxpayer.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales and exchanges after December 31, 1994, in taxable years ending after such date.

By Mr. ABRAHAM:

S. 183. A bill to provide that pay for Members of Congress shall be reduced whenever total expenditures of the Federal Government exceed total receipts in any fiscal year, and for other purposes; to the Committee on Governmental Affairs.

THE CONGRESSIONAL FISCAL RESPONSIBILITY ACT

● Mr. ABRAHAM. Mr. President, I introduce S. 183, the Congressional Fiscal Responsibility Incentive Act, which provides that the salary of Members of Congress be reduced by 10 percent whenever the Federal Government is unable to balance the budget at the close of a fiscal year. If further provides that such a reduced salary level remain in effect until the Government is successful in achieving a balanced budget. The bill's requirements would ''sunset,'' however, upon passage of a balanced budget constitutional amendment by both Houses of the Congress.

It is a fundamental responsibility of Government to live within its means. When it fails to do so, damaging economic consequences result—either in terms of increased levels of inflation, higher interest rates, or diminished levels of capital for private investment. The principal reason for the Federal Government failing to balance its budget is that Members of Congress find it difficult to resist temptations to spend more money than they are willing to raise from taxpayers. There is strong political incentive for Members to engage in deficit spending. On the one hand, they reap the benefits of such spending by pleasing individuals who are its beneficiaries. On the other hand, they do not have to displease other individuals who would otherwise have to pay higher taxes to support the spending.

This political incentive structure encourages deficit spending and the negative economic consequences which flow from such spending. In part, I support the balanced budget constitutional amendment because I believe that it would alter these incentives. However, until such time as the balanced budget amendment is passed by both Houses of the Congress I would propose a more limited restructuring of incentives. The proposed legislation would hold Members collectively responsible for year-end deficits by reducing their pay.

Such a pay reduction is premised upon the fact that the Congress has failed in an essential responsibility when it has failed to legislate a balanced budget. By demonstrating an inability to contain its appetite for spending, the Congress has acted irresponsibly by imposing upon the present and future generations of the American people the burdens of deficit spending. As a result, the long-term fiscal stability of the country which Members of Congress have been selected to govern is eroded. The disincentive toward deficit spending contained in S. 183, while admittedly an imprecise counterweight to the political incentives which operate in favor of deficit spending, at least balances to some degree the calculus of forces confronting Members who are tempted by the lure of deficit spending.

Section 1 of S. 183 sets forth in short title, the Congressional Fiscal Responsibility Incentive Act. Section 2(a) defines the essential procedures by which a determination is made at the end of each fiscal year whether or not a balanced budget has been achieved. If it has not been achieved, the 10 percent pay cut takes effect immediately. Such a reduction in pay is maintained until it is determined, by the same procedures, that a balanced budget has been achieved for a subsequent fiscal year. Section 2(b) sets forth procedures designed to ensure that the objectives of this legislation are not undermined in various ways. It would require that measures to increase congressional pay not be combined in bills laden with other subjects and it would require that a explicit rollcall vote be cast on pay increases. Finally, section 3 would have the proposed legislation take effect in connection with the first fiscal year beginning after its enactment. It would also ''sunset'' the legislation upon the passage of a balanced budget constitutional amendment by both Houses of the Congress. Under this amendment, a balanced budget would become the norm and further deficit spending would require the express support of a three-fifths super majority of each House of the Congress.

Mr. President, S. 183 is not a panacea for our current fiscal problems. However, until such time as a balanced budget amendment is placed into the Constitution, it would effect a small but potentially important step toward more responsible Government.●

By Mr. HATFIELD:

S. 184. A bill to establish an Office for Rare Disease Research in the National Institutes of Health, and for other purposes; to the Committee on Labor and Human Resources.

THE OFFICE FOR RARE DISEASE RESEARCH ACT OF 1995

● Mr. HATFIELD. Mr. President, last October, I was distressed as I confronted two painful losses: the death of a very dear friend of mine, Eric Lopez, and the demise of my legislation to create an Office for Rare Disease Research at the National Institutes of Health. It was devastating yet apt that both were lost at the same time, because it was Eric and his rare debilitating disease, Epidermolysis bullosa, that originally inspired me to introduce this legislation.

I am proud to announce that the National Institute of Arthritis, Musculoskeletal and Skin Diseases will rename the National Registry of Epidermolysis bullosa in honor of Eric Lopez. His courage and perseverance helped to raise the public's awareness of this disease through the establishment of the Dystrophic Epidermolysis Bullosa Research Association, known as DEBRA.

Eric personalized the plight of a large group of Americans afflicted by rare diseases. Last session, my legislation passed the Senate but ran out of time in the House. We were so close to enacting this bill that we cannot justify its dissolution now. In the memory of Eric and many others like him, let us endorse this legislation with unanimous consent.

Diseases are labeled as rare when less than 200,000 people are afflicted; however, grouped together, these diseases affect over 10 to 20 million Americans. Collectively, the term ''rare'' appears to be a misnomer. A large portion of our population is battling diseases that are not only extremely difficult to diagnose but also difficult to treat and almost impossible to cure. These individuals exist as islands without answers, without support systems, and paramount, without hope. Ambiguous symptoms involving multiple organ systems lead to years of frustration in testing and misdiagnosis for the sufferers. The medical profession also shares in this frustration as the information to aid in diagnosis is nonexistent or scarce at best. There are currently no centers of research, information, or support for the patient or the physician. In today's environment of progressive health care, this is a travesty.

Research is the most vital aspect of medicine, as we look to discovering cures. NIH has 20 Institutes of research that are centered around groups of diseases or organ systems. Rarely do these separate organizations communicate and coordinate research initiatives. Obviously, such a fragmented approach further worsens the status of research on multisystemic diseases, such as the rare diseases, and lends itself to repetition and duplicationof projects. Unlike the larger, more visible diseases such as heart and kidney

disease, oftentimes the rare diseases are lost in the bureaucratic shuffle.

My legislation avoids the establishment of yet another bureaucratic center by delineating and defining the duties of the already existing Office of the Director of NIH. Foremost, the Office will formulate a strategic plan for rare disease research which will support research, award grants and contracts, and coordinate efforts among Institutes and other Federal agencies. Identification of present research projects, both private and Federal, and of opportunities and needs for future research will assist in preventing unnecessary duplication. Coordination among the Institutes will facilitate research efforts and thereby increase the effectiveness of every Federal dollar expended.

In addition, the bill establishes a National Advisory Council on Rare Disease Research, which will be composed of individuals appointed by the Director of the NIH. The Council will review and assess research needs, priorities, and funding to advise the NIH on the development and implementation of the strategic research plan.

Finally, my legislation establishes a national research database, accessible to both medical professionals and the public. This will connect researchers with patients for clinical trials, provide physicians and individuals with information on trials, and connect patients with support groups. This database will provide the necessary information to cohesively plan an attack on these diseases.

In these times of tightening fiscal resources, Federal expenditures need to be stringently examined for worthiness and applicability to the majority of population. Despite the inability to put a dollar value on human suffering, it is still our duty as legislators to address and hopefully diminish it. The legislation I reintroduce today has the merits of assisting many Americans in desperate need and, not necessity by requiring further expenditure of Federal dollars. The funding for this program was included in the appropriations bill for NIH in fiscal year 1995 and, therefore, is already available. This is an ideal opportunity to demonstrate that humanitarianism can coexist with financial acumen. Let us open this congressional session with a bipartisan triumph and enact this legislation as soon as possible.

I ask for unanimous consent that the text of the bill, along with a letter from the National Organization of Rare Disorders be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Office for Rare Disease Research Act of 1995''.

SEC. 2. ESTABLISHMENT OF OFFICE FOR RARE DISEASE RESEARCH.

Part A of title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end thereof the following new section:

''SEC. 404F. OFFICE FOR RARE DISEASE RESEARCH.

''(a) ESTABLISHMENT.—There is established within the Office of the Director of the National Institutes of Health an office to be known as the Office for Rare Disease Research (in this section referred to as the 'Office'). The Office shall be headed by a director, who shall be appointed by the Director of the National Institutes of Health.

''(b) PURPOSE.—The purpose of the Office is to promote and coordinate the conduct of research on rare diseases through a strategic research plan and to establish and manage a rare disease research clinical database.

''(c) ADVISORY COUNCIL.—The Secretary shall establish an advisory council for the purpose of providing advice to the director of the Office concerning carrying out the strategic research plan and other duties under this section. Section 222 shall apply to such council to the same extent and in the same manner as such section applies to committees or councils established under such section.

''(d) DUTIES.—In carrying out subsection (b), the director of the Office shall—

''(1) develop a comprehensive plan for the conduct and support of research on rare diseases;

''(2) coordinate and disseminate information among the institutes and the public on rare diseases;

''(3) support research training and encourage the participation of a diversity of individuals in the conduct of rare disease research;

''(4) identify projects or research on rare diseases that should be conducted or supported by the National Institutes of Health;

''(5) develop and maintain a central database on current government sponsored clinical research projects for rare diseases;

''(6) determine the need for registries of research subjects and epidemiological studies of rare disease populations; and

''(7) prepare biennial reports on the activities carried out or to be carried out by the Office and submit such reports to the Secretary and the Congress.''.

NATIONAL ORGANIZATION FOR RARE DISORDERS, INC.,
New Fairfield, CT, November 30, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

Attention: Meagan Sexauer.

DEAR SENATOR HATFIELD: The National Organization for Rare Disorders (NORD) fully supports your effort to enact legislation to create the Office for Rare Disease Research at NIH. As you know, creation of a central office to coordinate the various research activities on behalf of these diseases was the primary recommendation of the National Commission on Orphan Diseases. The Commission's report was submitted to Congress in 1989, and until now Congress has not acted upon those recommendations.

The scope of the orphan disease problem is enormous. There are more than 5,000 of these disorders, each one affecting fewer than 200,000 Americans. Combined together all rare disorders touch the lives of an estimated 20 million Americans. They cripple, maim and kill thousands of people every year, yet little research is being pursued on most of these illnesses. The National Institutes of Health (NIH) support the vast majority of biomedical research on rare disorders because there is little interest in the private sector to pursue development of treatments that have such limited commercial value due to their small potential markets.

The various institutes of NIH are responsible for research on diseases that effect specific body systems. Yet many rare diseases cross the boundaries of each institutes' responsibilities. For example, a rare disease may have neurological and immunological components (NINDS and NIAID), dermatological symptoms (NIAMS), effect infants and children (NICHD) and be inherited (NIGMS and the Human Genome Center). An Office for Rare Disease Research at NIH would coordinate these various research efforts in order to avoid duplication and waste of precious resources. It would also develop and operate a rare disease clinical database so that patients and physicians could locate research projects relevant to their disease. Conversely, since 47% of rare disease researchers complain that it is difficult to locate a sufficient number of patients to participate in clinical protocols, the Office and the database would greatly alleviate this problem.

Senator Hatfield, so much of public policy is directed toward ''major'' health threats; rare disorders are treated as if they are ''minor'' problems. The suffering is quite real, the morbidity and mortality is immeasurable, and the hopelessness of knowing that research is not being pursued is devastating not only to 20 million patients but to their families and friends. The suffering of these people is not ''minor,'' and the frustrations of rare disease scientists is compelling. When they cannot get funding for their research, when they cannot find a commercial sponsor to market a new treatment, when they cannot locate patients for clinical trials, they are forced to change their focus and move to diseases that have more chance of attracting funds.

The Office of Rare Disease Research will provide hope and comfort to masses of Americans with rare disorders who continue to fall through the cracks of biomedical research, and a safe haven for scientists who have devoted their careers to these devastating illnesses. It will also signify for the first time that the federal government, through a carefully planned and coordinated program, is determined to eradicate orphan diseases.

Very truly yours,

ABBEY S. MEYERS,
President.●

By Mr. BUMPERS:

S. 185. A bill to transfer the Fish Farming Experimental Laboratory in Stuttgart, Arkansas, to the Department of Agriculture, and for other purposes; to the Committee on Environment and Public Works.

THE STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER ACT OF 1995

Mr. BUMPERS. Mr. President, today I am introducing legislation to transfer the Fish Farming Experimental Laboratory in Stuttgart, AR, from the Department of the Interior to the Department of Agriculture. This legislation also requires that the name of the lab be changed to the Stuttgart National Aquaculture Research Center.

This Fish Farming Experimental Laboratory was established under the Fish and Rice Rotation Act of 1958, with a mandate to conduct research related to the commercial production and harvesting of warm water fish. When the lab was established, there

was little or no information available to commercial fish farmers about warm water aquaculture. Thanks in large part to the lab, which has pioneered research in such areas as fish nutrition, water quality management and fish disease prevention, commercial fish farming is now one of the fastest growing industries in the country.

Originally, the legislation creating the lab, provided that it be administered by the Department of Agriculture. However, because the Department of the Interior already had an established fisheries program, Congress placed the program under the Department of the Interior's Fish and Wildlife Service. In retrospect, this decision was a mistake. The Department of Agriculture, not the Department of the Interior has become the lead Federal agency in the research, development, and promotion of commercial aquaculture. While the Department of the Interior is involved in the aquaculture arena, its emphasis is more conservation related.

My belief that the Department of the Interior is no longer the appropriate agency to administer the lab was confirmed when during an internal reorganization the Stuttgart lab was transferred from the Fish and Wildlife Service to the National Biological Survey [NBS]. As my colleagues know, the NBS is charged with developing an inventory of plant and animal species and their habitats. A worthy endeavor, but one that is in no way related to the lab's statutory mission of developing methods for the commercial production of aquatic species. I believe it is only a matter of time before the staff and the resources of the lab are redirected toward research efforts that are more in keeping with the mission of the NBS.

I have expressed my concerns to Secretary of the Interior Bruce Babbitt, who agrees with me that the Department of Agriculture is a much more appropriate place for the Stuttgart lab. The Department of Agriculture recognizes that private commercial aquaculture is an important and growing component of the U.S. economy and is committed to providing a broad range of services to it. I have no doubt that the Fish Farming Experimental Laboratory can complement and enhance the Department's existing and growing aquaculture program.

Mr. President, I hope my colleagues will support this legislation and I look forward to its speedy passage.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 185

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stuttgart National Aquaculture Research Center Act of 1995''.

SEC. 2. TRANSFER OF FUNCTIONS TO THE SECRETARY OF AGRICULTURE.

(A) TITLE OF PUBLIC LAW 85–342.—The title of Public Law 85–342 (16 U.S.C. 778 et seq.) is amended by striking ''Secretary of the Interior'' and inserting ''Secretary of Agriculture''.

(b) AUTHORIZATION.—The first section of Public Law 85–342 (16 U.S.C. 778) is amended—

(1) by striking ''Secretary of the Interior'' and all that follows through ''directed'' and inserting ''Secretary of Agriculture is authorized and directed'';

(2) by striking ''station and stations'' and inserting ''1 or more centers''; and

(3) in paragraph (5), by striking ''Department of Agriculture'' and inserting ''Secretary of the Interior''.

(c) AUTHORITY.—Section 2 of Public Law 85–342 (16 U.S.C. 778a) is amended by striking '', the Secretary'' and all that follows through ''authorized'' and inserting '', the Secretary of Agriculture is authorized.''

(d) ASSISTANCE.—Section 3 of Public Law 85–342 (16 U.S.C. 778b) is amended—

(1) by striking ''Secretary of the Interior'' and inserting ''Secretary of Agriculture''; and

(2) by striking ''Department of Agriculture'' and inserting ''Secretary of the Interior''.

SEC. 3. TRANSFER OF FISH FARMING EXPERIMENTAL LABORATORY TO DEPARTMENT OF AGRICULTURE.

(A) DESIGNATION OF STUTTGART NATIONAL AQUACULTURE RESEARCH CENTER.—

(1) IN GENERAL.—The Fish Farming Experimental Laboratory in Stuttgart, Arkansas, shall be known and designated as the ''Stuttgart National Aquaculture Research Center''.

(2) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the laboratory referred to in paragraph 1 shall be deemed to be a reference to the ''Stuttgart National Aquaculture Research Center''.

(b) TRANSFER OF LABORATORY TO THE DEPARTMENT OF AGRICULTURE.—Subject to section 1531 of title 31, United States Code, not later than 90 days after the date of enactment of this Act, there are transferred to the Department of Agriculture—

(1) the personnel employed in connection with the laboratory referred to in subsection (a);

(2) the assets, liability, contracts, and real and personal property of the laboratory;

(3) the records of the laboratory; and

(4) the unexpended balance of appropriations, authorizations, allocations and other funds employed, held, arising from, available to, or to be made available in connection with the laboratory.

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. KEMPTHORNE, the names of the Senator from Illinois [Mr. SIMON] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 1, a bill to curb the practice of imposing unfunded Federal mandates on States and local governments; to strengthen the partnership between the Federal Government and State, local, and tribal governments; to end the imposition, in the absence of full consideration by Congress, of Federal mandates on State, local, and tribal governments without adequate funding, in a manner that may displace other essential governmental priorities; and to ensure that the Federal Government pays the costs incurred by those governments in complying with certain requirements under Federal statutes and regulations; and for other purposes.

S. 9

At the request of Mr. DASCHLE, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 9, a bill to direct the Senate and the House of Representatives to enact legislation on the budget for fiscal years 1996 through 2003 that would balance the budget by fiscal year 2003.

S. 22

At the request of Mr. DOLE, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 22, a bill to require Federal agencies to prepare private property taking impact analyses.

S. 131

At the request of Mr. LIEBERMAN, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from California [Mrs. FEINSTEIN], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 131, a bill to specifically exclude certain programs from provisions of the Electronic Funds Transfer Act.

AMENDMENTS SUBMITTED

CONGRESSIONAL ACCOUNTABILITY ACT

MCCONNELL AMENDMENT NO. 8

Mr. MCCONNELL proposed an amendment to amendment No. 4, proposed by Mr. FORD, to the bill S. 2 to make certain laws applicable to the legislative branch of the Federal Government; as follows:

1. On line 7 of the first page, strike from paragraph (a): ''or House of Representatives'';

2. On line 10 of the first page, strike from paragraph (b): ''Committee on House Oversight of the House of Representatives and the'';

3. On line 9 of the second page, strike from subparagraph (2) of paragraph (c): ''the House of Representatives and'';

4. On line 8 of the first page, strike from paragraph (a): ''Government'' and substitute ''office for which the travel was performed''.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BOND. Mr. President, I would like to announce that the Small Business Committee will hold a full committee organizational meeting on Wednesday, January 11, 1995, at 4 p.m. in room 428A of the Russell Senate Office Building. For further information, please call Louis Taylor, staff director